

Sixty-sixth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1383

Introduced by

Representatives Brandenburg, Boe, Headland, Howe, D. Johnson, Schmidt

Senators Dotzenrod, Erbele, Luick, J. Roers, Rust, Wanzek

1 A BILL for an Act to create and enact ~~two new sections~~ a new section to chapter 4.1-01, a new
2 section to chapter 49-22, and a new section to chapter 49-22.1 of the North Dakota Century
3 Code, relating to the creation of an environmental impact mitigation fund ~~and an environmental~~
4 ~~impact advisory board~~ and to mitigating direct environmental impacts; to amend and reenact
5 subsection 1 of section 4.1-01-18, sections 49-22-05.1, 49-22-09, 49-22.1-03, and 49-22.1-09
6 of the North Dakota Century Code, relating to the federal environmental law impact review
7 committee, exclusion and avoidance areas and the factors considered by the public service
8 commission when evaluating and designating sites, corridors, and routes; to provide for a report
9 to the budget section; ~~and~~ to provide an appropriation; and to provide a continuing
10 appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

12 **SECTION 1. AMENDMENT.** Subsection 1 of section 4.1-01-18 of the North Dakota Century
13 Code is amended and reenacted as follows:

- 14 1. The federal environmental law impact review committee consists of:
- 15 a. The commissioner, who shall serve as the chairman;
 - 16 b. The governor or the governor's designee;
 - 17 c. The majority leader of the house of representatives, or the leader's designee;
 - 18 d. The majority leader of the senate, or the leader's designee;
 - 19 e. One member of the legislative assembly from the minority party, selected by the
 - 20 chairman of the legislative management;
 - 21 f. One individual appointed by the lignite energy council;
 - 22 g. One individual appointed by the North Dakota corn growers association;
 - 23 h. One individual appointed by the North Dakota grain growers association;
 - 24 i. One individual appointed by the North Dakota petroleum council;

- j. One individual appointed by the North Dakota soybean growers association; ~~and~~
- k. One individual appointed by the North Dakota stockmen's association;
- l. One individual appointed by the North Dakota farm bureau;
- m. One individual appointed by the North Dakota farmers union;
- n. One representative of an investor-owned utility companies; and
- o. One representative from the North Dakota association of rural electric cooperatives.

SECTION 2. A new section to chapter 4.1-01 of the North Dakota Century Code is created and enacted as follows:

Environmental impact mitigation fund - Report to budget section - Continuing appropriation.

1. The moneys accumulated in the environmental impact mitigation fund must be allocated as provided by law and as appropriated by the legislative assembly for distribution by the agriculture commissioner:
 - a. To political subdivisions and state agencies to offset impacts of energy development to agricultural land;
 - b. To landowners for the mitigation of agricultural land impacted by energy development; and
 - c. To landowners of agricultural land who are subject to excessive mitigation of wetlands.
2. Funding may be used only for:
 - a. Contracting for consultation with environmental scientists, wildlife biologists, biologists, soil scientists, range scientists, engineers, economists, or scientists in any other field determined to be relevant for services including the evaluation, assessment, and analysis of the physical composition and potential chemical properties of land determined to be impacted by energy development or land to be considered for mitigation;
 - b. Reclamation, restoration, or mitigation of land, water resources, or wildlife habitats adversely impacted directly by energy development; and
 - c. Offsetting or defraying costs of landowner mitigation in qualifying circumstances as determined by the advisory board.

3. The commissioner is not subject to chapter 54-44.4 when contracting for services under this chapter.

4. The ~~environmental impact advisory board~~ ~~federal environmental law impact review committee~~ shall establish criteria for disbursement of environmental impact funds.

5. The commissioner shall make disbursements based upon the determinations made by the ~~environmental impact advisory board~~ ~~federal environmental law impact review committee~~.

6. For purposes of this section, the federal environmental law impact review committee shall hold at least one regular meeting each year and additional meetings as the chairman determines necessary at a time and place set by the chairman. Upon written request of any four members, the presiding officer shall call a special meeting of the committee.

7. The federal environmental law impact review committee shall make determinations for the disbursement of grants in accordance with subsection 2 and provide those determinations to the commissioner.

8. The federal environmental law impact review committee shall provide a biennial report to the budget section of the legislative management.

9. All moneys in the environmental impact mitigation fund are appropriated to the commissioner on a continuing basis for the purposes set forth under subsection 2.

~~**SECTION 2.** A new section to chapter 4.1-01 of the North Dakota Century Code is created and enacted as follows:~~

~~**Environmental impact advisory board – Members – Report to budget section.**~~

~~1. There is created an environmental impact advisory board consisting of seventeen members. The advisory board consists of:~~

~~a. The commissioner, who shall serve as the presiding officer;~~

~~b. The governor or the governor's designee;~~

~~c. The majority leader of the house of representatives, or the majority leader's designee;~~

~~d. The majority leader of the senate, or the majority leader's designee;~~

~~e. One member of the legislative assembly from the minority party, selected by the chairman of legislative management;~~

- ~~f. One individual appointed by the lignite energy council;~~
- ~~g. One individual appointed by the North Dakota farm bureau;~~
- ~~h. One individual appointed by the North Dakota corn growers association;~~
- ~~i. One individual appointed by the North Dakota grain growers association;~~
- ~~j. One individual appointed by the North Dakota petroleum council;~~
- ~~k. One individual appointed by the North Dakota soybean growers association;~~
- ~~l. One individual appointed by the North Dakota stockmen's association;~~
- ~~m. One individual appointed by the North Dakota farmers union; and~~
- ~~n. Four members from the energy industry appointed by the governor based upon recommendations of entities representing the energy industry.~~
- ~~2. The advisory board shall hold at least one regular meeting each year and additional meetings as the chairman determines necessary at a time and place to be fixed by the chairman. Special meetings must be called by the presiding officer upon written request of any four members.~~
- ~~3. The advisory board shall make determinations for the disbursement of grants in accordance with subsection 2 of section 1 of this Act and provide those determinations to the commissioner.~~
- ~~4. The term of office of each appointed member of the board is four years and each term of office commences on the first day of July. The initial terms for the advisory board members must be staggered based upon a method determined by the board.~~
- ~~5. The advisory board shall provide a biennial report to the budget section of the legislative management.~~

SECTION 3. AMENDMENT. Section 49-22-05.1 of the North Dakota Century Code is amended and reenacted as follows:

49-22-05.1. Exclusion and avoidance areas - Criteria.

1. The commission shall develop criteria to be used in identifying exclusion and avoidance areas and to guide the site, corridor, and route suitability evaluation and designation process. The criteria also may include an identification of impacts and policies or practices which may be considered in the evaluation and designation process.

2. The commission may not identify prime farmland, unique farmland, or irrigated land as exclusion or avoidance areas when evaluating and designating geographical areas for site, corridor, or route suitability.

3. Except for electric transmission lines in existence before July 1, 1983, areas within five hundred feet [152.4 meters] of an inhabited rural residence must be designated avoidance areas. This criterion does not apply to a water pipeline. The five hundred foot [152.4 meter] avoidance area criteria for an inhabited rural residence may be waived by the owner of the inhabited rural residence in writing.

~~3.4.~~ Areas less than one and one-tenth times the height of the turbine from the property line of a nonparticipating landowner and less than three times the height of the turbine or more from an inhabited rural residence of a nonparticipating landowner, must be excluded in the consideration of a site for a wind energy conversion area, unless a variance is granted. The commission may grant a variance if an authorized representative or agent of the permittee, the nonparticipating landowner, and affected parties with associated wind rights file a written agreement expressing the support of all parties for a variance to reduce the setback requirement in this subsection. A nonparticipating landowner is a landowner that has not signed a wind option or an easement agreement with the permittee of the wind energy conversion facility as defined in chapter 17-04. A local zoning authority may require setback distances greater than those required under this subsection. For purposes of this subsection, "height of the turbine" means the distance from the base of the wind turbine to the turbine blade tip when it is in its highest position.

SECTION 4. AMENDMENT. Section 49-22-09 of the North Dakota Century Code is amended and reenacted as follows:

49-22-09. Factors to be considered in evaluating applications and designation of sites, corridors, and routes.

~~The commission shall be guided by, but is not limited to, the following considerations, where applicable, to~~

1. To aid in the evaluation and designation of sites, corridors, and routes, the commission shall consider:

- 1 4. a. Available research and investigations relating to the effects of the location,
2 construction, and operation of the proposed facility on public health and welfare,
3 natural resources, and the environment.
- 4 2. b. The effects of new electric energy conversion and electric transmission
5 technologies and systems designed to minimize adverse environmental effects.
- 6 3. c. The potential for beneficial uses of waste energy from a proposed electric energy
7 conversion facility.
- 8 4. d. Adverse direct ~~and indirect~~ environmental effects that cannot be avoided should
9 the proposed site or route be designated.
- 10 5. e. Alternatives to the proposed site, corridor, or route which are developed during
11 the hearing process and which minimize adverse effects.
- 12 6. f. Irreversible and irretrievable commitments of natural resources should the
13 proposed site, corridor, or route be designated.
- 14 7. g. The direct ~~and indirect~~ economic impacts of the proposed facility.
- 15 8. h. Existing plans of the state, local government, and private entities for other
16 developments at or in the vicinity of the proposed site, corridor, or route.
- 17 9. i. The effect of the proposed site or route on existing scenic areas, historic sites
18 and structures, and paleontological or archaeological sites.
- 19 10. j. The effect of the proposed site or route on areas ~~which are~~ unique because of
20 biological wealth or because ~~they~~ the areas are habitats for rare and endangered
21 species.
- 22 11. k. Problems raised by federal agencies, other state agencies, and local entities.
- 23 2. In the evaluation and designation of sites, corridors, and routes, the commission may
24 not consider:
 - 25 a. ~~Adverse indirect environmental effects that cannot be avoided should the~~
26 ~~proposed site or route be designated; or~~ Require payment for mitigation of any
27 assessed adverse indirect impacts to wildlife or habitat;
 - 28 b. ~~The~~ Require payment to a third-party nongovernmental organization for any
29 assessed adverse direct or indirect impacts to wildlife or habitat; or
 - 30 c. Consider indirect economic impacts of the proposed facility.

1 **SECTION 5.** A new section to chapter 49-22 of the North Dakota Century Code is created
2 and enacted as follows:

3 **Mitigating direct environmental impacts.**

4 1. If an applicant elects to provide payment to mitigate any assessed adverse direct
5 environmental, wildlife, or economic impact of a proposed site, corridor, route, or
6 facility, the applicant shall make the payment to the agriculture commissioner.

7 2. ~~The~~Subject to subsection 3, the agriculture commissioner shall deposit into the
8 environmental impact mitigation fund any moneys paid to mitigate the adverse direct
9 environmental, wildlife, or economic impacts of a proposed site, corridor, route, or
10 facility.

11 3. At the applicant's request, the agriculture commissioner may provide moneys directly
12 to an organization approved by the federal environmental law impact review
13 committee.

14 **SECTION 6. AMENDMENT.** Section 49-22.1-03 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **49-22.1-03. Exclusion and avoidance areas - Criteria.**

17 1. The commission shall develop criteria to be used in identifying exclusion and
18 avoidance areas and to guide the site, corridor, and route suitability evaluation and
19 designation process.

20 2. The commission may not identify prime farmland, unique farmland, or irrigated land as
21 exclusion or avoidance areas when evaluating and designating geographical areas for
22 site, corridor, or route suitability.

23 3. Except for oil and gas transmission lines in existence before July 1, 1983, areas within
24 five hundred feet [152.4 meters] of an inhabited rural residence must be designated
25 avoidance areas.

26 a. This criterion does not apply to a water pipeline.

27 b. The five hundred foot [152.4 meter] avoidance area criteria for an inhabited rural
28 residence may be waived by the owner of the inhabited rural residence in writing.

29 c. The criteria also may include an identification of impacts and policies or practices
30 which may be considered in the evaluation and designation process.

1 **SECTION 7. AMENDMENT.** Section 49-22.1-09 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **49-22.1-09. Factors to be considered in evaluating applications and designation of**
4 **sites, corridors, and routes.**

5 ~~The commission is guided by, but is not limited to, the following considerations, when-~~
6 ~~applicable, to~~

7 1. To aid in the evaluation and designation of sites, corridors, and routes, the commission
8 shall consider:

9 1. a. Available research and investigations relating to the effects of the location,
10 construction, and operation of the proposed facility on public health and welfare,
11 natural resources, and the environment.

12 2. b. The effects of new gas or liquid energy conversion and gas or liquid transmission
13 technologies and systems designed to minimize adverse environmental effects.

14 3. c. The potential for beneficial uses of waste energy from a proposed gas or liquid
15 energy conversion facility.

16 4. d. Adverse direct and indirect environmental effects that cannot be avoided should
17 the proposed site or route be designated.

18 5. e. Alternatives to the proposed site, corridor, or route that are developed during the
19 hearing process and which minimize adverse effects.

20 6. f. Irreversible and ir retrievable commitments of natural resources should the
21 proposed site, corridor, or route be designated.

22 7. g. The direct and indirect economic impacts of the proposed facility.

23 8. h. Existing plans of the state, local government, and private entities for other
24 developments at or in the vicinity of the proposed site, corridor, or route.

25 9. i. The effect of the proposed site or route on existing scenic areas, historic sites
26 and structures, and paleontological or archaeological sites.

27 10. j. The effect of the proposed site or route on areas that are unique because of
28 biological wealth or because the site or route is a habitat for rare and endangered
29 species.

30 11. k. Problems raised by federal agencies, other state agencies, and local entities.

2. In the evaluation and designation of sites, corridors, and routes, the commission may not consider:

- a. ~~Adverse indirect environmental effects that cannot be avoided should the proposed site or route be designated; or~~ Require payment for mitigation of any assessed adverse indirect impacts to wildlife or habitat;
- b. ~~The~~Require payment to a third-party nongovernmental organization for any assessed adverse direct or indirect impacts to wildlife or habitat; or
- c. Consider indirect economic impacts of the proposed facility.

SECTION 8. A new section to chapter 49-22.1 of the North Dakota Century Code is created and enacted as follows:

Mitigating direct environmental impacts.

1. If an applicant elects to provide payment to mitigate any assessed adverse direct environmental, wildlife, or economic impact of a proposed site, corridor, route, or facility, the applicant shall make the payment to the agriculture commissioner.
2. ~~The~~Subject to subsection 3, the agriculture commissioner shall deposit into the environmental impact mitigation fund any moneys paid to mitigate the adverse direct environmental, wildlife, or economic impacts of a proposed site, corridor, route, or facility.
3. At the applicant's request, the agriculture commissioner may provide moneys directly to an organization approved by the federal environmental law impact review committee.

SECTION 9. APPROPRIATION. There is appropriated out of any moneys in the environmental impact mitigation fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so much of the sum as may be necessary, to the agriculture commissioner for the purpose of providing grants to political subdivisions for the mitigation of environmental impacts, for the biennium beginning July 1, 2019, and ending June 30, 2021.