

**2025 HOUSE ENERGY AND NATURAL RESOURCES**

**HB 1592**

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Energy and Natural Resources Committee

Coteau AB Room, State Capitol

HB 1592

2/6/2025

Relating to the appointments, operations, and powers of the lignite research council, the powers of the industrial commission, and public record exemptions.

9:00 a.m. Chairman Porter opened the hearing.

Members Present: Chairman Porter, Vice Chairman Anderson, Vice Chair Novak,  
Representatives: Dockter, Hagert, Headland, Heinert, Johnson, Marschall, Olson, Ruby,  
Conmy, Foss

### Discussion Topics:

- Research councils
- Members of the Lignite Research Council
- Turnover

9:01 a.m. Vice Chairman Novak introduced the bill and submitted testimony #35844.

9:02 a.m. Jonathan Fortner, VP of Government Relations, Lignite Energy Council, testified in favor and submitted testimony #35605.

9:12 a.m. Chairman Porter closed the hearing.

9:12 a.m. Representative Dockter moved a Do Pass.

9:12 a.m. Representative Headland seconded the motion.

Representatives	Vote
Chairman Todd Porter	Y
Vice Chairman Dick Anderson	Y
Vice Chairwoman Anna Novak	Y
Representative Liz Conmy	Y
Representative Jason Dockter	Y
Representative Austin Foss	AB
Representative Jared Hagert	AB
Representative Craig Headland	Y
Representative Pat Heinert	AB
Representative Jorin Johnson	Y
Representative Andrew Marschall	Y
Representative Jeremy Olson	Y
Representative Matthew Ruby	Y

9:13 a.m. Motion Passed 10-0-3.

9:13 a.m. Representative Novak moved to place on the Consent Calendar.

9:13 a.m. Representative Dockter seconded the motion.

9:14 a.m. Voice vote - motion passed.

9:14 a.m. Representative Novak will carry the bill.

9:14 a.m. Chairman Porter closed the meeting.

*Janae Pinks, Committee Clerk for Leah Kuball, Committee Clerk*

**REPORT OF STANDING COMMITTEE**  
**HB 1592 ([25.1292.02000](#))**

**Energy and Natural Resources Committee (Rep. Porter, Chairman)** recommends **DO PASS** and **BE PLACED ON THE CONSENT CALENDAR** (10 YEAS, 0 NAYS, 3 ABSENT OR EXCUSED AND NOT VOTING). HB 1592 was placed on the Tenth order on the calendar.



February 6, 2025

Chairman Porter and House Energy and Natural Resources Committee Members,

Thank you for the opportunity to testify in support of House Bill 1592, which proposes important updates to modernize and streamline the Lignite Research Council (LRC). The LRC was created in 1987, before the establishment of similar research councils for oil and gas and renewable energy, and it is time to align its policies and structure with modern energy research and development frameworks reflected in the Century Code.

This bill updates the LRC's language and governance structure to better reflect current practices and to align with the provisions guiding the Oil and Gas Research Council and the Renewable Energy Council. It also clarifies the relationship between the LRC and the North Dakota Industrial Commission (NDIC), ensuring transparent processes for consultation and funding decisions. These changes aim to improve administrative efficiency, foster collaboration, and ensure the council can continue its vital work supporting the lignite industry.

The bill further defines key priorities for LRC activities, including supporting projects that preserve jobs, foster economic growth, and develop innovative uses for lignite, such as advancing products and ensuring efficient reclamation practices. Additionally, it emphasizes transparency while protecting proprietary information for those engaging with the LRC's programs.

Modernizing the LRC's framework is essential to maintaining its effectiveness as a driver of innovation and economic opportunity for North Dakota's lignite industry. I respectfully urge the committee to support this bill with a "Do Pass" recommendation to ensure the LRC remains a valuable asset in advancing North Dakota's energy goals.

Thank you for your consideration,

Jonathan Fortner  
VP of Government Relations  
Lignite Energy Council



# North Dakota House of Representatives

STATE CAPITOL  
600 EAST BOULEVARD  
BISMARCK, ND 58505-0360



## Representative Anna Novak

District 33  
1139 Elbowoods Drive  
Hazen, ND 58545-4923  
[anovak@ndlegis.gov](mailto:anovak@ndlegis.gov)

## COMMITTEES:

Education  
Energy and Natural Resources (Vice Chair)

February 5, 2025

Chairman Porter and Members of the Committee,

For the record, my name is Anna Novak, representative from district 33.

I am proud to sponsor HB1592, which modernizes the Lignite Research Council (LRC) to align with the Oil and Gas Research Council and the Renewable Energy Council. This update ensures the Lignite Research Council operates with greater clarity, efficiency, and transparency, improving how it supports research and development in North Dakota's lignite industry.

The Lignite Research Council has played a vital role in advancing innovation, protecting jobs, and strengthening our energy economy. However, its structure was established in 1987 and needs to reflect today's best practices. HB1592 clarifies its processes, funding mechanisms, and relationship with the Industrial Commission, ensuring the council can effectively support industry advancements. This bill is about cutting red tape and making the LRC more effective in funding lignite research that benefits our state. I urge a Do Pass recommendation to keep North Dakota at the forefront of energy innovation and economic growth.

Jonathan Fortner will walk you through some of the technical pieces of the bill, but I'm happy to answer any questions you may have for me. Thank you.

**2025 SENATE ENERGY AND NATURAL RESOURCES**

**HB 1592**

# 2025 SENATE STANDING COMMITTEE MINUTES

## Energy and Natural Resources Committee Peace Garden Room, State Capitol

HB 1592  
3/6/2025

Relating to the appointments, operations, and powers of the lignite research council, the powers of the industrial commission, and public record exemptions.

3:01 p.m. Chairman Patten opened the hearing.

Members present: Chairman Patten, Vice Chairman Kessel, Senators Beard, Boehm, Enget, Gerhardt, Van Oosting

### **Discussion Topics:**

- Amendment regarding open research request
- Quantity of members on board
- Appointment process for board members

3:01 p.m. Representative Novak, District 33, introduced HB 1592, testified in favor and submitted testimony #39357.

3:04 p.m. Jonathan Fortner, VP of Government Relations, Lignite Energy Council, testified in favor and submitted testimony #38842.

3:18 p.m. Jordan Kannianen, Deputy Director, Office of Industrial Commission, testified in neutral.

3:22 p.m. Chairman Patten adjourned the meeting.

*Chance Anderson for Kendra McCann, Committee Clerk*





March 6, 2025

Chairman Patten and Senate Energy and Natural Resources Committee Members,

Thank you for the opportunity to testify in support of House Bill 1592, which proposes important updates to modernize and streamline the Lignite Research Council (LRC). The LRC was created in 1987, before the establishment of similar research councils for oil and gas and renewable energy, and it is time to align its policies and structure with modern energy research and development frameworks reflected in the Century Code.

This bill updates the LRC's language and governance structure to better reflect current practices and to align with the provisions guiding the Oil and Gas Research Council and the Renewable Energy Council. It also clarifies the relationship between the LRC and the North Dakota Industrial Commission (NDIC), ensuring transparent processes for consultation and funding decisions. These changes aim to improve administrative efficiency, foster collaboration, and ensure the council can continue its vital work supporting the lignite industry.

The bill further defines key priorities for LRC activities, including supporting projects that preserve jobs, foster economic growth, and develop innovative uses for lignite, such as advancing products and ensuring efficient reclamation practices. Additionally, it emphasizes transparency while protecting proprietary information for those engaging with the LRC's programs.

Modernizing the LRC's framework is essential to maintaining its effectiveness as a driver of innovation and economic opportunity for North Dakota's lignite industry. I respectfully urge the committee to support this bill with a "Do Pass" recommendation to ensure the LRC remains a valuable asset in advancing North Dakota's energy goals.

Thank you for your consideration,

Jonathan Fortner  
VP of Government Relations  
Lignite Energy Council



# North Dakota House of Representatives

STATE CAPITOL  
600 EAST BOULEVARD  
BISMARCK, ND 58505-0360



## Representative Anna Novak

District 33  
1139 Elbowoods Drive  
Hazen, ND 58545-4923  
[anovak@ndlegis.gov](mailto:anovak@ndlegis.gov)

## COMMITTEES:

Education  
Energy and Natural Resources (Vice Chair)

March 6, 2025

Chairman Patten and Members of the Committee,

For the record, my name is Anna Novak, representative from district 33.

I am proud to sponsor HB1592, which modernizes the Lignite Research Council (LRC) to align with the Oil and Gas Research Council and the Renewable Energy Council. This update ensures the Lignite Research Council operates with greater clarity, efficiency, and transparency, improving how it supports research and development in North Dakota's lignite industry.

I have provided committee members with an amended version of HB1592. There was a minor drafting error that was caught by the Attorney General's office after this bill passed the House. We simply removed part of line 7 on page 6. Removing that small segment gives the Attorney General's office greater clarity relating to open records requests.

The Lignite Research Council has played a vital role in advancing innovation, protecting jobs, and strengthening our energy economy. However, its structure was established in 1987 and needs to reflect today's best practices. HB1592 clarifies its processes, funding mechanisms, and relationship with the Industrial Commission, ensuring the council can effectively support industry advancements. This bill is about cutting red tape and making the LRC more effective in funding lignite research that benefits our state. I urge a Do Pass recommendation to keep North Dakota at the forefront of energy innovation and economic growth.

Jonathan Fortner will walk you through some of the technical pieces of the bill, but I'm happy to answer any questions you may have for me. Thank you.

Sixty-ninth  
Legislative Assembly  
of North Dakota

## PROPOSED AMENDMENTS TO

### HOUSE BILL NO. 1592

Introduced by

Representatives Novak, D. Anderson, J. Olson, Tveit

Senators Boehm, Kessel

1 A BILL for an Act to amend and reenact sections 54-17.5-01, 54-17.5-02, 54-17.5-03,  
2 54-17.5-04, and 54-17.5-06 of the North Dakota Century Code, relating to the appointments,  
3 operations, and powers of the lignite research council, the powers of the industrial commission,  
4 and public record exemptions.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. AMENDMENT.** Section 54-17.5-01 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **54-17.5-01. Declaration of findings and public purpose.**

9 The legislative assembly finds and declares that North Dakota's lignite industry produces  
10 approximately ~~thirty million~~twenty-five million tons of lignite annually, contributing to our state's  
11 and nation's energy independence by generating electricity for more than two million people in  
12 the northern great plains region and by producing synthetic natural gas from coal that heats  
13 three hundred thousand homes and businesses in eastern states, which is equivalent to over  
14 twenty thousand barrels of oil per day. The legislative assembly further finds and declares that  
15 North Dakota's lignite industry generates over ~~twenty-eight thousand~~twelve thousand direct and  
16 indirect jobs for North Dakota, nearly ~~three billion~~six billion dollars in annual business volume,  
17 and over ~~one hundred three million~~one hundred million dollars in annual tax revenue. The  
18 legislative assembly further finds and declares that it is an essential governmental function and  
19 public purpose to assist with the development and wise use of North Dakota's vast lignite  
20 resources by supporting a lignite research, development, and marketing program that promotes

1 economic, efficient, and clean uses of lignite and products derived from lignite in order to  
2 maintain and enhance development of North Dakota lignite and its products; support  
3 educational activities relating to the lignite industry; preserve and create jobs involved in the  
4 production and utilization of North Dakota lignite; ensure economic stability, growth, and  
5 opportunity in the lignite industry; defend through litigation activities the production, use, and  
6 continued development of lignite as a vital state natural resource; and maintain a stable and  
7 competitive tax base for our state's lignite industry for the general welfare of North Dakota. The  
8 legislative assembly further finds and declares that development of North Dakota's lignite  
9 resources must be conducted in an environmentally sound manner that protects our state's air,  
10 water, and soil resources as specified by applicable federal and state law.

11 **SECTION 2. AMENDMENT.** Section 54-17.5-02 of the North Dakota Century Code is  
12 amended and reenacted as follows:

13 **54-17.5-02. Lignite research council - Compensation - Appointment of members.**

- 14 1. The industrial commission shall ~~consult~~engage in regular and substantive consultation  
15 with the lignite research council established by executive order in matters of policy  
16 affecting the administration of the lignite research fund, including holding regularly  
17 scheduled grant meetings and activities, receiving formal written recommendations  
18 from the council, and providing opportunities for the council to review and provide  
19 input on proposed policies. Section 44-03-04 does not apply to members of the council  
20 appointed by the governor.
- 21 2. The lignite research council is composed of twenty-four members appointed by the  
22 governor from a list provided by the lignite energy council and two members of the  
23 legislative assembly appointed by the chairman of the legislative management. The  
24 governor may reject the list and request the council submit a new list until the  
25 appointments are made. The council consists of:
- 26 a. Six members representing lignite processing;
  - 27 b. Three members representing lignite research;
  - 28 c. Four members representing state agencies involved with lignite activities;
  - 29 d. Four members representing mining;
  - 30 e. One member representing the workforce community;
  - 31 f. One member representing political subdivisions;

- 1           g. Two members representing transmission interests;
- 2           h. One Native American tribal representative; and
- 3           i. Two members representing landowners.
- 4       3. The council shall elect its chairman from among its members.
- 5       4. The council shall elect a vice chairman and five members from among its members to
- 6           serve as an executive committee, to act on behalf of the council between council
- 7           meetings. The executive committee shall meet at the request of the chairman.
- 8       5. The council shall meet at least twice a year and additional meetings as the chairman
- 9           determines necessary at a time and place to be fixed by the chairman. A special
- 10           meeting must be called by the chairman on written request of any three members. A
- 11           majority of active members constitutes a quorum.
- 12       6. The council shall recommend to the industrial commission the approval of grants,
- 13           loans, or other financial assistance necessary or appropriate for funding, research,
- 14           development, marketing, and educational projects, or activities, and any other matters
- 15           related to this chapter.
- 16       7. Members of the council appointed by the governor serve at the pleasure of the
- 17           governor.
- 18       8. A member of the council who is a member of the legislative assembly is entitled to
- 19           receive per diem compensation at the rate as provided under section 54-35-10 for
- 20           each day devoted to attending meetings or performing other duties relating to the
- 21           official business of the council. The legislative council shall pay the per diem
- 22           compensation and reimbursement for travel and expenses as provided by law for any
- 23           member of the commission who is a member of the legislative assembly.

24       **SECTION 3. AMENDMENT.** Section 54-17.5-03 of the North Dakota Century Code is  
25 amended and reenacted as follows:

26       **54-17.5-03. Priority projects, processes, and activities.**

- 27       1. In evaluating applications for funding from the lignite research fund for North Dakota's
- 28           lignite research, development, and marketing program, the industrial commission and
- 29           lignite research council shall give priority to those projects, processes, or activities that
- 30           will preserve existing jobs and production, which will create the greatest number of
- 31           new jobs and most additional lignite production and economic growth potential in



1 coal-producing counties or those counties with recoverable coal reserves, which will  
2 attract matching private industry investment equal to at least fifty percent or more of  
3 the total cost, and which will result in development and demonstration of a marketable  
4 lignite product or products with a high level of probability of near term  
5 commercialization.

6 2. For marketing applications, priority must be given to those projects, processes, or  
7 activities that develop baseline information, implement specific marketing strategies,  
8 and otherwise contribute to the effective marketing of lignite and its products.

9 3. For reclamation applications, priority must be given to those projects, processes, or  
10 activities that will reduce unnecessary regulatory costs and assist in effectively  
11 reclaiming surface mined land to its original or better productivity as soon as possible.

12 4. Any projects, activities, or processes selected by the commission for funding must  
13 achieve the priorities and purposes of the program, must have undergone technical  
14 review and be determined to have technical merit, must have generated matching  
15 private industry investment, and must have received a favorable lignite research  
16 council recommendation.

17 5. The industrial commission shall take into consideration, in selecting independent  
18 technical reviewers, a reviewer's educational background, government or industry  
19 experience, and experience relevant to the subject matter of the proposed project or  
20 program.

21 **SECTION 4. AMENDMENT.** Section 54-17.5-04 of the North Dakota Century Code is  
22 amended and reenacted as follows:

23 **54-17.5-04. Industrial commission powers.**

24 The industrial commission is hereby granted all powers necessary or appropriate to carry  
25 out and effectuate the purposes of this chapter, including the power:

26 1. To make grants or loans, and to provide other forms of financial assistance as  
27 necessary or appropriate, to qualified persons for research, development, and  
28 marketing projects, processes, or activities directly related to lignite and products  
29 derived from lignite.

30 2. To make and execute contracts and all other instruments necessary or convenient for  
31 the performance of its powers and functions under this chapter, including the authority

1 to contract for the administration of the lignite research, development, and marketing  
2 program.

3 3. To issue evidences of indebtedness as authorized in this chapter and to borrow money  
4 in an amount not to exceed six million dollars from the Bank of North Dakota for a  
5 period not to exceed five years on the terms and conditions as the Bank of North  
6 Dakota and the industrial commission may approve without the necessity of  
7 establishing or maintaining any reserve fund as otherwise required by section  
8 54-17.5-05.

9 4. To receive and accept aid, grants, or contributions of money or other things of value  
10 from any source to be held, used, and applied to carry out the purposes of this  
11 chapter, subject to the conditions upon which the aid, grants, or contributions are  
12 made, including aid, grants, or contributions from any department, agency, or  
13 instrumentality of the United States for any purpose consistent with the provisions of  
14 this chapter.

15 5. To issue and sell evidences of indebtedness in an amount or amounts as the  
16 commission may determine, plus costs of issuance, financing, and any evidences of  
17 indebtedness funded reserve funds required by agreements with or for the benefit of  
18 holders of the evidences of indebtedness for the purpose of funding research,  
19 development, and marketing projects, processes, or activities directly related to lignite  
20 and products derived from lignite.

21 6. To refund and refinance its evidences of indebtedness from time to time as often as it  
22 is advantageous and in the public interest to do so, and to pledge any and all income  
23 and revenues derived by the commission under this chapter or from a project,  
24 process, or activity funded under this chapter to secure payment or redemption of the  
25 evidences of indebtedness.

26 7. To keep accurate records of all financial transactions performed under this chapter.

27 8. To adopt and enforce policies, rules, and orders to effectuate the purpose of this  
28 chapter.

29 **SECTION 5. AMENDMENT.** Section 54-17.5-06 of the North Dakota Century Code is  
30 amended and reenacted as follows:

**54-17.5-06. Access to commission records.**

1. Materials and data submitted to, or made or received by, the commission, to the extent that the commission determines the materials or data consist of trade secrets or commercial, financial, or proprietary information of individuals or entities applying to or contracting with the commission or receiving commission services under this chapter, are not public records subject to section 44-04-18 and section 6 of article XI of the Constitution of North Dakota, and are subject to section 44-04-18.4.
2. A person or entity must file a request with the commission to have material designated as confidential under subsection 1. A request to have material designated as confidential is exempt as defined in section 44-04-17.1. The request must contain any information required by the commission, and must include at least the following:
  - a. A general description of the nature of the information sought to be protected.
  - b. An explanation of why the information derives independent economic value, actual or potential, from not being generally known to other persons.
  - c. An explanation of why the information is not readily ascertainable by proper means by other persons.
  - d. A general description of any person or entity that may obtain economic value from disclosure or use of the information, and how the person or entity may obtain this value.
  - e. A description of the efforts used to maintain the secrecy of the information.
3. Any information submitted under subsection 2 is confidential. The commission shall examine the request and determine whether the information is relevant to the matter at hand and is a trade secret under the definition in section 47-25.1-01 or 44-04-18.4. If the commission determines the information is either not relevant or not a trade secret, the commission shall notify the requester and the requester may ask for the return of the information and request within ten days of the notice. If no return is sought, the information and request are a public record.
4. The names or identities of independent technical reviewers on any project or program and the names of individual lignite council members making recommendations are confidential and may not be disclosed by the commission, and are not public records.



- 1 subject to section 44-04-18 or section 6 of article XI of the Constitution of North
- 2 Dakota.

# 2025 SENATE STANDING COMMITTEE MINUTES

## Energy and Natural Resources Committee

Peace Garden Room, State Capitol

HB 1592

3/13/2025

AN ACT to amend and reenact sections 54-17.5-01, 54-17.5-02, 54-17.5-03, 54-17.5-04, and 54-17.5-06 of the North Dakota Century Code, relating to the appointments, operations, and powers of the lignite research council, the powers of the industrial commission, and public record exemptions.

10:42 a.m. Chairman Patten opened the hearing.

Members present: Chairman Patten, Vice Chairman Kessel, Senators: Beard, Boehm, Enget, Gerhardt, and Van Oosting.

### **Discussion Topics:**

- Schedule Update

10:42 a.m. Senator Boehm requests to wait for further testimony.

10:43 a.m. Chairman Patten closed the hearing.

*Kendra McCann, Committee Clerk by Lynn Wolf, Chief Clerk*

# 2025 SENATE STANDING COMMITTEE MINUTES

## Energy and Natural Resources Committee Peace Garden Room, State Capitol

HB 1592  
3/27/2025

Relating to the appointments, operations, and powers of the lignite research council, the powers of the industrial commission, and public record exemptions.

9:42 a.m. Chairman Patten opened the hearing.

Members present:

Chairman Patten, Vice Chairman Kessel, Senators: Beard, Boehm, Enget, Gerhardt, and Van Oosting.

### Discussion Topics:

- Independent technical reviewer selection criteria
- Allocation of funding for technical advisor

9:42 a.m. Senator Boehm introduced proposed amendment LC# 25.1292.02003 and submitted testimony #44325.

9:46 a.m. Senator Boehm moved amendment LC# 25.1292.02003.

9:46 a.m. Senator Van Oosting seconded.

Senators	Vote
Senator Dale Patten	Y
Senator Greg Kessel	Y
Senator Todd Beard	Y
Senator Keith Boehm	Y
Senator Mark Enget	Y
Senator Justin Gerhardt	Y
Senator Desiree Van Oosting	Y

Motion Passed 7-0-0.

9:47 a.m. Senator Boehm moved a Do Pass as amended.

9:47 a.m. Senator Gerhardt seconded the motion.

Senators	Vote
Senator Dale Patten	Y
Senator Greg Kessel	Y
Senator Todd Beard	Y
Senator Keith Boehm	Y
Senator Mark Enget	Y
Senator Justin Gerhardt	Y
Senator Desiree Van Oosting	Y

Motion Passed 7-0-0.

9:48 a.m. Senator Boehm will carry the bill.

9:48 a.m. Committee discussion on upcoming schedule.

9:50 a.m. Chairman Patten closed the hearing.

*Kendra McCann, Committee Clerk*

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO**

VC 3/27/25  
1 of 7

**HOUSE BILL NO. 1592**

Introduced by

Representatives Novak, D. Anderson, J. Olson, Tveit

Senators Boehm, Kessel

1 A BILL for an Act to amend and reenact sections 54-17.5-01, 54-17.5-02, 54-17.5-03,  
2 54-17.5-04, and 54-17.5-06 of the North Dakota Century Code, relating to the appointments,  
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4 and public record exemptions.

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9 The legislative assembly finds and declares that North Dakota's lignite industry produces  
10 approximately ~~thirty million~~ twenty-five million tons of lignite annually, contributing to our state's  
11 and nation's energy independence by generating electricity for more than two million people in  
12 the northern great plains region and by producing synthetic natural gas from coal that heats  
13 three hundred thousand homes and businesses in eastern states, which is equivalent to over  
14 twenty thousand barrels of oil per day. The legislative assembly further finds and declares that  
15 North Dakota's lignite industry generates over ~~twenty-eight thousand~~ twelve thousand direct and  
16 indirect jobs for North Dakota, nearly ~~three billion~~ six billion dollars in annual business volume,  
17 and over ~~one hundred three million~~ one hundred million dollars in annual tax revenue. The  
18 legislative assembly further finds and declares that it is an essential governmental function and  
19 public purpose to assist with the development and wise use of North Dakota's vast lignite  
20 resources by supporting a lignite research, development, and marketing program that promotes

1 economic, efficient, and clean uses of lignite and products derived from lignite in order to  
2 maintain and enhance development of North Dakota lignite and its products; support  
3 educational activities relating to the lignite industry; preserve and create jobs involved in the  
4 production and utilization of North Dakota lignite; ensure economic stability, growth, and  
5 opportunity in the lignite industry; defend through litigation activities the production, use, and  
6 continued development of lignite as a vital state natural resource; and maintain a stable and  
7 competitive tax base for our state's lignite industry for the general welfare of North Dakota. The  
8 legislative assembly further finds and declares that development of North Dakota's lignite  
9 resources must be conducted in an environmentally sound manner that protects our state's air,  
10 water, and soil resources as specified by applicable federal and state law.

11 **SECTION 2. AMENDMENT.** Section 54-17.5-02 of the North Dakota Century Code is  
12 amended and reenacted as follows:

13 **54-17.5-02. Lignite research council - Compensation - Appointment of members.**

- 14 1. The industrial commission shall ~~consult~~engage in regular and substantive consultation  
15 with the lignite research council established by ~~executive order~~ in matters of policy  
16 affecting the administration of the lignite research fund, including holding regularly  
17 scheduled grant meetings and activities, receiving formal written recommendations  
18 from the lignite research council, and providing opportunities for the lignite research  
19 council to review and provide input on proposed policies. Section 44-03-04 does not  
20 apply to members of the lignite research council appointed by the governor.
- 21 2. The lignite research council is composed of twenty-four members appointed by the  
22 governor from a list provided by the lignite energy council and two members of the  
23 legislative assembly appointed by the chairman of the legislative management. The  
24 governor may reject the list and request the lignite energy council submit a new list  
25 until the appointments are made. The lignite research council consists of:
- 26 a. Six members representing lignite processing;
  - 27 b. Three members representing lignite research;
  - 28 c. Four members representing state agencies involved with lignite activities;
  - 29 d. Four members representing mining;
  - 30 e. One member representing the workforce community;
  - 31 f. One member representing political subdivisions;



- 1           g. Two members representing transmission interests;
- 2           h. One Native American tribal representative; and
- 3           i. Two members representing landowners.
- 4        3. The lignite research council shall elect its chairman and vice chairman from among its  
5        members.
- 6        4. The lignite research council shall elect ~~a vice chairman and~~ five members from among  
7        its members to serve with the chairman and vice chairman as an executive committee.  
8        to act on behalf of the lignite research council between lignite research council  
9        meetings. The executive committee shall meet at the request of the chairman.
- 10       5. The lignite research council shall meet at least twice a year and additional meetings as  
11       the chairman determines necessary at a time and place to be fixed by the chairman. A  
12       special meeting must be called by the chairman on written request of any three  
13       members. A majority of active members constitutes a quorum.
- 14       6. The lignite research council shall recommend to the industrial commission the  
15       approval of grants, loans, or other financial assistance necessary or appropriate for  
16       funding, research, development, marketing, and educational projects, or activities, and  
17       any other matters related to this chapter.
- 18       7. Members of the lignite research council appointed by the governor serve at the  
19       pleasure of the governor.
- 20       8. A member of the lignite research council who is a member of the legislative assembly  
21       is entitled to receive per diem compensation at the rate as provided under section  
22       54-35-10 for each day devoted to attending meetings or performing other duties  
23       relating to the official business of the lignite research council. The legislative council  
24       shall pay the per diem compensation and reimbursement for travel and expenses as  
25       provided by law for any member of the ~~commission~~ lignite research council who is a  
26       member of the legislative assembly.

27       **SECTION 3. AMENDMENT.** Section 54-17.5-03 of the North Dakota Century Code is  
28       amended and reenacted as follows:

29       **54-17.5-03. Priority projects, processes, and activities.**

- 30       1. In evaluating applications for funding from the lignite research fund for North Dakota's  
31       lignite research, development, and marketing program, the industrial commission and

lignite research council shall give priority to those projects, processes, or activities that will preserve existing jobs and production, which will create the greatest number of new jobs and most additional lignite production and economic growth potential in coal-producing counties or those counties with recoverable coal reserves, which will attract matching private industry investment equal to at least fifty percent or more of the total cost, and which will result in development and demonstration of a marketable lignite product or products with a high level of probability of near term commercialization.

2. For marketing applications, priority must be given to those projects, processes, or activities that develop baseline information, implement specific marketing strategies, and otherwise contribute to the effective marketing of lignite and its products.

3. For reclamation applications, priority must be given to those projects, processes, or activities that will reduce unnecessary regulatory costs and assist in effectively reclaiming surface mined land to its original or better productivity as soon as possible.

4. Any projects, activities, or processes selected by the commission for funding must achieve the priorities and purposes of the program, must have undergone technical review and be determined to have technical merit, must have generated matching private industry investment, and must have received a favorable lignite research council recommendation.

5. The industrial commission shall take into consideration, in selecting independent technical reviewers, a reviewer's educational background, government or industry experience, and experience relevant to the subject matter of the proposed project or program.

**SECTION 4. AMENDMENT.** Section 54-17.5-04 of the North Dakota Century Code is amended and reenacted as follows:

**54-17.5-04. Industrial commission powers.**

The industrial commission is hereby granted all powers necessary or appropriate to carry out and effectuate the purposes of this chapter, including the power:

1. To make grants or loans, and to provide other forms of financial assistance as necessary or appropriate, to qualified persons for research, development, and



1 marketing projects, processes, or activities directly related to lignite and products  
2 derived from lignite.

3 2. To make and execute contracts and all other instruments necessary or convenient for  
4 the performance of its powers and functions under this chapter, including the authority  
5 to contract for the administration of the lignite research, development, and marketing  
6 program.

7 3. To allocate sufficient funding from the lignite research, development, and marketing  
8 program to retain a technical advisor, as determined necessary by the lignite research  
9 council, to support program operations and provide expert analysis, project evaluation,  
10 research coordination, and industry engagement to advance the objective of the lignite  
11 research program and ensure the effective and strategic use of program funds.

12 4. To issue evidences of indebtedness as authorized in this chapter and to borrow money  
13 in an amount not to exceed six million dollars from the Bank of North Dakota for a  
14 period not to exceed five years on the terms and conditions as the Bank of North  
15 Dakota and the industrial commission may approve without the necessity of  
16 establishing or maintaining any reserve fund as otherwise required by section  
17 54-17.5-05.

18 ~~4.5.~~ To receive and accept aid, grants, or contributions of money or other things of value  
19 from any source to be held, used, and applied to carry out the purposes of this  
20 chapter, subject to the conditions upon which the aid, grants, or contributions are  
21 made, including aid, grants, or contributions from any department, agency, or  
22 instrumentality of the United States for any purpose consistent with the provisions of  
23 this chapter.

24 ~~5.6.~~ To issue and sell evidences of indebtedness in an amount or amounts as the  
25 commission may determine, plus costs of issuance, financing, and any evidences of  
26 indebtedness funded reserve funds required by agreements with or for the benefit of  
27 holders of the evidences of indebtedness for the purpose of funding research,  
28 development, and marketing projects, processes, or activities directly related to lignite  
29 and products derived from lignite.

30 ~~6.7.~~ To refund and refinance its evidences of indebtedness from time to time as often as it  
31 is advantageous and in the public interest to do so, and to pledge any and all income

and revenues derived by the commission under this chapter or from a project, process, or activity funded under this chapter to secure payment or redemption of the evidences of indebtedness.

7-8. To keep accurate records of all financial transactions performed under this chapter.

8-9. To adopt and enforce policies, rules, and orders to effectuate the purpose of this chapter.

**SECTION 5. AMENDMENT.** Section 54-17.5-06 of the North Dakota Century Code is amended and reenacted as follows:

**54-17.5-06. Access to commission records.**

1. Materials and data submitted to, or made or received by, the commission, to the extent that the commission determines the materials or data consist of trade secrets or commercial, financial, or proprietary information of individuals or entities applying to or contracting with the commission or receiving commission services under this chapter, are not public records subject to section 44-04-18 and section 6 of article XI of the Constitution of North Dakota, and are subject to section 44-04-18.4.
2. A person or entity must file a request with the commission to have material designated as confidential under subsection 1. A request to have material designated as confidential is exempt as defined in section 44-04-17.1. The request must contain any information required by the commission, and must include at least the following:
  - a. A general description of the nature of the information sought to be protected.
  - b. An explanation of why the information derives independent economic value, actual or potential, from not being generally known to other persons.
  - c. An explanation of why the information is not readily ascertainable by proper means by other persons.
  - d. A general description of any person or entity that may obtain economic value from disclosure or use of the information, and how the person or entity may obtain this value.
  - e. A description of the efforts used to maintain the secrecy of the information.
3. Any information submitted under subsection 2 is confidential. The commission shall examine the request and determine whether the information is relevant to the matter at hand and is a trade secret under the definition in section 47-25.1-01 or 44-04-18.4. If

- 1 the commission determines the information is either not relevant or not a trade secret,  
2 the commission shall notify the requester and the requester may ask for the return of  
3 the information and request within ten days of the notice. If no return is sought, the  
4 information and request are a public record.
- 5 4. The names or identities of independent technical reviewers on any project or program  
6 and the names of individual lignite council members making recommendations are  
7 confidential and may not be disclosed by the commission, and are not public records  
8 subject to section 44-04-18 or section 6 of article XI of the Constitution of North  
9 Dakota.

**REPORT OF STANDING COMMITTEE  
HB 1592**

**Energy and Natural Resources Committee (Sen. Patten, Chairman)** recommends **AMENDMENTS** ([25.1292.02003](#)) and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). HB 1592 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

25.1292.02003  
Title.

Prepared by the Legislative Council  
staff for Representative Novak  
March 24, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

## PROPOSED AMENDMENTS TO

### HOUSE BILL NO. 1592

Introduced by

Representatives Novak, D. Anderson, J. Olson, Tveit

Senators Boehm, Kessel

1 A BILL for an Act to amend and reenact sections 54-17.5-01, 54-17.5-02, 54-17.5-03,  
2 54-17.5-04, and 54-17.5-06 of the North Dakota Century Code, relating to the appointments,  
3 operations, and powers of the lignite research council, the powers of the industrial commission,  
4 and public record exemptions.

#### 5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. AMENDMENT.** Section 54-17.5-01 of the North Dakota Century Code is  
7 amended and reenacted as follows:

#### 8 **54-17.5-01. Declaration of findings and public purpose.**

9 The legislative assembly finds and declares that North Dakota's lignite industry produces  
10 approximately ~~thirty million~~twenty-five million tons of lignite annually, contributing to our state's  
11 and nation's energy independence by generating electricity for more than two million people in  
12 the northern great plains region and by producing synthetic natural gas from coal that heats  
13 three hundred thousand homes and businesses in eastern states, which is equivalent to over  
14 twenty thousand barrels of oil per day. The legislative assembly further finds and declares that  
15 North Dakota's lignite industry generates over ~~twenty-eight thousand~~twelve thousand direct and  
16 indirect jobs for North Dakota, nearly ~~three billion~~six billion dollars in annual business volume,  
17 and over ~~one hundred three million~~one hundred million dollars in annual tax revenue. The  
18 legislative assembly further finds and declares that it is an essential governmental function and  
19 public purpose to assist with the development and wise use of North Dakota's vast lignite  
20 resources by supporting a lignite research, development, and marketing program that promotes



1 economic, efficient, and clean uses of lignite and products derived from lignite in order to  
2 maintain and enhance development of North Dakota lignite and its products; support  
3 educational activities relating to the lignite industry; preserve and create jobs involved in the  
4 production and utilization of North Dakota lignite; ensure economic stability, growth, and  
5 opportunity in the lignite industry; defend through litigation activities the production, use, and  
6 continued development of lignite as a vital state natural resource; and maintain a stable and  
7 competitive tax base for our state's lignite industry for the general welfare of North Dakota. The  
8 legislative assembly further finds and declares that development of North Dakota's lignite  
9 resources must be conducted in an environmentally sound manner that protects our state's air,  
10 water, and soil resources as specified by applicable federal and state law.

11 **SECTION 2. AMENDMENT.** Section 54-17.5-02 of the North Dakota Century Code is  
12 amended and reenacted as follows:

13 **54-17.5-02. Lignite research council - Compensation - Appointment of members.**

- 14 1. The industrial commission shall ~~consult~~engage in regular and substantive consultation  
15 with the lignite research council ~~established by executive order~~ in matters of policy  
16 affecting the administration of the lignite research fund, including holding regularly  
17 scheduled grant meetings and activities, receiving formal written recommendations  
18 from the lignite research council, and providing opportunities for the lignite research  
19 council to review and provide input on proposed policies. Section 44-03-04 does not  
20 apply to members of the lignite research council appointed by the governor.
- 21 2. The lignite research council is composed of twenty-four members appointed by the  
22 governor from a list provided by the lignite energy council and two members of the  
23 legislative assembly appointed by the chairman of the legislative management. The  
24 governor may reject the list and request the lignite energy council submit a new list  
25 until the appointments are made. The lignite research council consists of:
- 26 a. Six members representing lignite processing;
  - 27 b. Three members representing lignite research;
  - 28 c. Four members representing state agencies involved with lignite activities;
  - 29 d. Four members representing mining;
  - 30 e. One member representing the workforce community;
  - 31 f. One member representing political subdivisions;

- 1           g. Two members representing transmission interests;
- 2           h. One Native American tribal representative; and
- 3           i. Two members representing landowners.
- 4        3. The lignite research council shall elect its chairman and vice chairman from among its  
5        members.
- 6        4. The lignite research council shall elect ~~a vice chairman~~ and five members from among  
7        its members to serve with the chairman and vice chairman as an executive committee,  
8        to act on behalf of the lignite research council between lignite research council  
9        meetings. The executive committee shall meet at the request of the chairman.
- 10       5. The lignite research council shall meet at least twice a year and additional meetings as  
11       the chairman determines necessary at a time and place to be fixed by the chairman. A  
12       special meeting must be called by the chairman on written request of any three  
13       members. A majority of active members constitutes a quorum.
- 14       6. The lignite research council shall recommend to the industrial commission the  
15       approval of grants, loans, or other financial assistance necessary or appropriate for  
16       funding, research, development, marketing, and educational projects, or activities, and  
17       any other matters related to this chapter.
- 18       7. Members of the lignite research council appointed by the governor serve at the  
19       pleasure of the governor.
- 20       8. A member of the lignite research council who is a member of the legislative assembly  
21       is entitled to receive per diem compensation at the rate as provided under section  
22       54-35-10 for each day devoted to attending meetings or performing other duties  
23       relating to the official business of the lignite research council. The legislative council  
24       shall pay the per diem compensation and reimbursement for travel and expenses as  
25       provided by law for any member of the ~~commission~~ lignite research council who is a  
26       member of the legislative assembly.

27       **SECTION 3. AMENDMENT.** Section 54-17.5-03 of the North Dakota Century Code is  
28       amended and reenacted as follows:

29       **54-17.5-03. Priority projects, processes, and activities.**

- 30       1. In evaluating applications for funding from the lignite research fund for North Dakota's  
31       lignite research, development, and marketing program, the industrial commission and

lignite research council shall give priority to those projects, processes, or activities that will preserve existing jobs and production, which will create the greatest number of new jobs and most additional lignite production and economic growth potential in coal-producing counties or those counties with recoverable coal reserves, which will attract matching private industry investment equal to at least fifty percent or more of the total cost, and which will result in development and demonstration of a marketable lignite product or products with a high level of probability of near term commercialization.

2. For marketing applications, priority must be given to those projects, processes, or activities that develop baseline information, implement specific marketing strategies, and otherwise contribute to the effective marketing of lignite and its products.

3. For reclamation applications, priority must be given to those projects, processes, or activities that will reduce unnecessary regulatory costs and assist in effectively reclaiming surface mined land to its original or better productivity as soon as possible.

4. Any projects, activities, or processes selected by the commission for funding must achieve the priorities and purposes of the program, must have undergone technical review and be determined to have technical merit, must have generated matching private industry investment, and must have received a favorable lignite research council recommendation.

5. The industrial commission shall take into consideration, in selecting independent technical reviewers, a reviewer's educational background, government or industry experience, and experience relevant to the subject matter of the proposed project or program.

**SECTION 4. AMENDMENT.** Section 54-17.5-04 of the North Dakota Century Code is amended and reenacted as follows:

**54-17.5-04. Industrial commission powers.**

The industrial commission is hereby granted all powers necessary or appropriate to carry out and effectuate the purposes of this chapter, including the power:

1. To make grants or loans, and to provide other forms of financial assistance as necessary or appropriate, to qualified persons for research, development, and



1 marketing projects, processes, or activities directly related to lignite and products  
2 derived from lignite.

3 2. To make and execute contracts and all other instruments necessary or convenient for  
4 the performance of its powers and functions under this chapter, including the authority  
5 to contract for the administration of the lignite research, development, and marketing  
6 program.

7 3. To allocate sufficient funding from the lignite research, development, and marketing  
8 program to retain a technical advisor, as determined necessary by the lignite research  
9 council, to support program operations and provide expert analysis, project evaluation,  
10 research coordination, and industry engagement to advance the objective of the lignite  
11 research program and ensure the effective and strategic use of program funds.

12 4. To issue evidences of indebtedness as authorized in this chapter and to borrow money  
13 in an amount not to exceed six million dollars from the Bank of North Dakota for a  
14 period not to exceed five years on the terms and conditions as the Bank of North  
15 Dakota and the industrial commission may approve without the necessity of  
16 establishing or maintaining any reserve fund as otherwise required by section  
17 54-17.5-05.

18 ~~4.5.~~ To receive and accept aid, grants, or contributions of money or other things of value  
19 from any source to be held, used, and applied to carry out the purposes of this  
20 chapter, subject to the conditions upon which the aid, grants, or contributions are  
21 made, including aid, grants, or contributions from any department, agency, or  
22 instrumentality of the United States for any purpose consistent with the provisions of  
23 this chapter.

24 ~~5.6.~~ To issue and sell evidences of indebtedness in an amount or amounts as the  
25 commission may determine, plus costs of issuance, financing, and any evidences of  
26 indebtedness funded reserve funds required by agreements with or for the benefit of  
27 holders of the evidences of indebtedness for the purpose of funding research,  
28 development, and marketing projects, processes, or activities directly related to lignite  
29 and products derived from lignite.

30 ~~6.7.~~ To refund and refinance its evidences of indebtedness from time to time as often as it  
31 is advantageous and in the public interest to do so, and to pledge any and all income

and revenues derived by the commission under this chapter or from a project, process, or activity funded under this chapter to secure payment or redemption of the evidences of indebtedness.

7.8. To keep accurate records of all financial transactions performed under this chapter.

8.9. To adopt and enforce policies, ~~rules, and orders~~ to effectuate the purpose of this chapter.

**SECTION 5. AMENDMENT.** Section 54-17.5-06 of the North Dakota Century Code is amended and reenacted as follows:

**54-17.5-06. Access to commission records.**

1. Materials and data submitted to, or made or received by, the commission, to the extent that the commission determines the materials or data consist of trade secrets or commercial, financial, or proprietary information of individuals or entities applying to or contracting with the commission or receiving commission services under this chapter, are not public records subject to section 44-04-18 and section 6 of article XI of the Constitution of North Dakota, ~~and are subject to section 44-04-18.4.~~
2. A person or entity must file a request with the commission to have material designated as confidential under subsection 1. A request to have material designated as confidential is exempt as defined in section 44-04-17.1. The request must contain any information required by the commission, and must include at least the following:
  - a. A general description of the nature of the information sought to be protected.
  - b. An explanation of why the information derives independent economic value, actual or potential, from not being generally known to other persons.
  - c. An explanation of why the information is not readily ascertainable by proper means by other persons.
  - d. A general description of any person or entity that may obtain economic value from disclosure or use of the information, and how the person or entity may obtain this value.
  - e. A description of the efforts used to maintain the secrecy of the information.
3. Any information submitted under subsection 2 is confidential. The commission shall examine the request and determine whether the information is relevant to the matter at hand and is a trade secret under the definition in section 47-25.1-01 or 44-04-18.4. If

- 1           the commission determines the information is either not relevant or not a trade secret,  
2           the commission shall notify the requester and the requester may ask for the return of  
3           the information and request within ten days of the notice. If no return is sought, the  
4           information and request are a public record.
- 5        4.   The names or identities of independent technical reviewers on any project or program  
6           and the names of individual lignite council members making recommendations are  
7           confidential and may not be disclosed by the commission, and are not public records  
8           subject to section 44-04-18 or section 6 of article XI of the Constitution of North  
9           Dakota.