

SENATE CONCURRENT RESOLUTION NO. 4050

Introduced by

Senators G. Nelson, Mathern

Representatives Dorso, Boucher

1 A concurrent resolution directing the Legislative Council to study taxation and regulatory
2 incentives for the lignite industry in order to improve its competitive position in the energy
3 marketplace.

4 **WHEREAS**, North Dakota's lignite industry produces approximately thirty million tons of
5 lignite annually, contributing to our state's and nation's energy independence by generating
6 electricity for more than two million people in the northern great plains region and by producing
7 synthetic natural gas from coal that heats 300,000 homes and businesses in eastern states,
8 which is equivalent to over 20,000 barrels of oil per day; and

9 **WHEREAS**, North Dakota's lignite industry generates over 20,000 direct and indirect
10 jobs for North Dakota, over one billion dollars in annual business volume, and over sixty-five
11 million dollars in annual tax revenue; and

12 **WHEREAS**, the Legislative Assembly has previously determined that it is an essential
13 governmental function and public purpose to assist with the development and wise use of North
14 Dakota's vast lignite resources by supporting a lignite research, development, and marketing
15 program; and

16 **WHEREAS**, the Gascoyne Mine recently closed due to the loss of its contract due to
17 out-of-state coal competition; and

18 **WHEREAS**, subbituminous coal is presently being test burned in two North Dakota coal
19 generating facilities; and

20 **WHEREAS**, with deregulation and restructuring within the electrical industry, there are
21 increasing competitive pressures on the lignite industry; and

22 **WHEREAS**, government taxation and regulatory costs constitute up to thirty percent of
23 the cost of North Dakota lignite; and

24 **WHEREAS**, North Dakotans desire to maintain their state's status as one of only a few
25 clean air states and as a state with an equitable tax structure;

1 **NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF NORTH DAKOTA, THE**
2 **HOUSE OF REPRESENTATIVES CONCURRING THEREIN:**

3 That the Legislative Council study the feasibility and desirability of providing taxation
4 incentives and eliminating unnecessary regulatory burdens in order to make the lignite industry
5 more competitive in order to protect and enhance the jobs and economic activity associated
6 with the development of the state's abundant state lignite resource, while at the same time
7 maintaining a clean and healthy environment for all of our state's citizens; and

8 **BE IT FURTHER RESOLVED**, that the Legislative Council report its findings and
9 recommendations, together with any legislation required to implement the recommendations, to
10 the Fifty-sixth Legislative Assembly.