

**Fifty-fifth Legislative Assembly, State of North Dakota, begun in the Capitol in the City of Bismarck, on Monday, the sixth day of January, one thousand nine hundred and ninety-seven**

**SENATE CONCURRENT RESOLUTION NO. 4050**  
(Senators G. Nelson, Mathern)  
(Representatives Dorso, Boucher)

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

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

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

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

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

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

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

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

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

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

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

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

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
Secretary of the Senate

\_\_\_\_\_  
Chief Clerk of the House

Filed in this office this \_\_\_\_\_ day of \_\_\_\_\_, 1997,  
at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State