



Testimony
Senate Finance and Taxation Committee
HOUSE BILL NO. 1425
March 10, 2021

Good morning Chairman Bell and members of the Senate Finance and Taxation Committee. The Valley Prosperity Partnership (VPP) is an initiative led by business executives to advance and advocate for shared strategic economic development opportunities that will strengthen and diversify the Red River Valley region and North Dakota. Thanks to the vision of these business leaders and to public policy leaders like yourself, the legislature will have multiple proposals to consider that seek to accomplish those goals by investing state dollars into infrastructure projects and emerging or expanding companies in the state.

Several of those proposals are before you today – to create a legacy infrastructure loan fund and make investments in qualified funds that will make equity investments in We support these investments in infrastructure and innovative companies with exciting ideas and high potential to make a significant impact on our economy.

First, we want to thank the legislature for supporting water control and supply projects that are of vital importance to the regional and state economy and to ask you to earnestly consider further financial support of these projects to bring them to completion. The Red River Valley Water Supply project is of critical importance to the economic well-being of the region's businesses and residents. Without the certainty of an adequate water supply, companies may restrain their growth, expand elsewhere or choose to relocate. Companies from outside the region looking for a new location may take cities and counties in the Valley off their short list of potential sites.

The economic impact would be especially disastrous in the event of an extended drought, with losses in that scenario now estimated to reach as \$25 billion. Simply put, the strength of our economy relies on a steady and reliable supply of water. The Valley Prosperity Partnership believes that funding these water control and supply priorities is a long-term economic strategy that has statewide implications. Our CEOs firmly stand



behind the need of these projects and the certainty they will provide the businesses they lead.

The VPP also supports provisions in House Bill 1425 to enable the state investment board to allocate funding to qualified investment firms and financial institutions for the purpose of making fixed income investments and equity investments within the state. Currently, the \$7 billion Legacy Fund is invested almost entirely outside of North Dakota and the U.S.

These investments in North Dakota will address the gaps that exist in the capital markets in North Dakota, provide a market rate of return, assist in the diversification of our state's economy and get a multiplier effect with monies circulating in our communities.

The VPP believes that making equity capital available for emerging and expanding businesses in the state will help to grow our economy by keeping our successful home-grown entrepreneurs in the state and create many new high skilled job opportunities for North Dakotans across that state.