SB 2334 Hearing
Senate Finance and Tax Committee

January 24, 2023

Hon. Jordan Kannianen, Chairman

Chairman Kannianen and Committee,

Thank you Mr. Chairman. For the record I am Brad Bekkedahl, Senator from District 1, here to introduce SB 2334 which is a bill to remove a sunset on a current sales tax exemption for fertilizer and chemical processing facilities. The change to existing legislation is found on line 9 of page 1 and deletes the language requiring the exemption be applied before the date of June 30, 2023. The critical need for continuation of the sales tax exemption will be better explained by interested parties testifying in support after me. I am sure you will be impressed with the projects they currently have under design to be built near the community of Trenton, North Dakota. In the world of business recruitment, you will also hear testimony from the ND Department of Commerce, which has been critical in working with the company and their decision to site this large facility in our state. The competition was fierce to bring them here, and the removal of this sales tax exemption is a major factor in their location plans. I respectfully request the committee to recommend passage of the exemption sunset date removal.

The other area of the bill that is before you is found on page 2 and entails the creation of a local revenue loss reimbursement fund. In recruiting businesses of this size and investment, we have seen that local government entities frequently are called upon to provide incentives and assistance as well as state economic development programs. These could be in the form of property tax exemptions or PILOTS, infrastructure development or improvements such as roads, water, and sewer, along with the need to provide public safety equipment and personnel for protection. I will walk the committee through the provisions of the bill now and then stand for any questions on this part of the bill or the first section dealing with the sales tax exemption sunset date removal.

Chairman Kannianen, thank you for the opportunity to introduce this bill that is now and will be critical to bringing value added projects to our energy development in North Dakota.