



SENATE BILL NO. 2177
HOUSE FINANCE AND TAX COMMITTEE
CRAIG HEADLAND, CHAIR
TESTIMONY IN SUPPORT OF ENGROSSED SENATE BILL 2177

Chairman Headland and members of the House Finance and Taxation Committee. My name is Parrell Grossman, and it is my privilege to be the Legislative Director for the North Dakota Soybean Growers Association. I appear in support of Engrossed Senate Bill 2177.

The Association advocates for more than 8,900 operations that raise soybeans in North Dakota. In 2024, North Dakota soybean farmers planted 6.6 million acres of soybeans, producing over 245 million bushels of soybeans in North Dakota.

The Committee is aware of the agricultural economic impact in North Dakota. NDSU's 2024 North Dakota Agriculture Industry Economic Contribution Analysis reported that the economic contribution to North Dakota is \$41.3 billion, including \$26 billion from direct output and \$15.3 billion from secondary output.

There are many valid, and even compelling, reasons for this legislature to enact this legislation. Earmarking sales and use tax revenues collected and related to animal agriculture facilities, specifically for construction, repairs and equipment, and then dedicating those funds to, or otherwise allowing the counties directly impacted to use these same funds for infrastructure projects near animal agricultural facilities or other county expenses, is a sound fiscal policy and makes good sense.

These animal agriculture facilities bring economic development to the counties in which they are located in by providing new jobs and boosting the local economies in many ways through the increased sales of goods and services. At the same time, these facilities may create significant needs for services including roads, sewer, water, etc. The impact on the counties can be significant in terms of the additional

infrastructure expenses and services they must provide as a direct result of these projects.

It would be difficult to find a more direct and close relationship than the one between these particular sales and use taxes collected and the impacts of these agricultural facilities on the local counties. Earmarking and using these taxes to assist in funding for the local infrastructure purposes and for the benefit of these rural areas and citizens is necessary, fair and equitable.

With agriculture as our number two economic contributor in this state, we should continue to attract these animal agriculture facilities and reciprocate by recognizing this symbiotic relationship, and continuing to significantly invest in North Dakota agriculture.

The Association supports the amendments in Engrossed Senate Bill No, 2177.

For the reasons stated, the Association respectfully asks the House Finance and Taxation Committee to give Engrossed Senate Bill 2177 a “Do Pass” recommendation.

Thank you for your consideration and I will try to answer any questions.