

Testimony HB1332

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Testimony in opposition of HB1332

To the Honorable Chairman and the members of the Committee. We submit these remarks on behalf of DRC.

Mr Chairman,

We understand the intentions of this bill but we believe that there could be some positive aspects of HB1332 Overall, making sure that we have a consistent fund for the expansion of Value Added Agriculture is a positive step for the future of our farmers. We proudly support mills, pasta factories, creameries, meat processing facilities, and other businesses that directly add value to what we grow and raise in North Dakota, create opportunities for small businesses, and keep dollars in our local communities. This bill seems to be luring the larger corporate entities to our state that probably need the least amount of help setting up shop and could be problematic to our communities.

However, we are submitting testimony in opposition to this bil for several reasons.

1. **Supporting CAFOs and Larger Multinational Corporations:** The biggest problem though is that these dollars can be claimed by anyone. A majority of these funds can potentially go to just a few entities and take away from investment opportunities for smaller operations. We see this in large animal agriculture facilities like Riverview Dairy, Multinational Corporations that can push out our local elevators like NDSP, or foreign entities like Fufeng in Grand Forks. More often than not our state is willing to throw cash at these entities when they do not need economic assistance.
2. **Tax abatement shouldn't be allowed:** If assistance is given, companies should not qualify for a tax abatement. 30 million dollars with no caps to projects and no language to prevent businesses from double dipping on state and local tax abatements and infrastructure costs on businesses that would honestly be able to pay their way. In Casselton ND NDSP received state dollars and received a substantial tax break on the state and local level to build their Soy Crushing plant, along with Federal dollars to improve the rail lines leading to the facility. They will be paying reduced taxes while their net profits will be in the 30-40 million dollar range every year.
3. **Consider state funded projects instead of private:** If we are willing to invest this much money we need to start asking ourselves why we can't use this money to build our own state owned facilities like the State Mill and Elevator. If we took a low interest loan or bond from our state bank, we could budget the money to build a state milk processing

plant, meat processing plant, and a rendering facility. If we did that we would have a facility that wouldn't be subject to the whims of private business and we could plan the exact type of economic development that we want rather than reacting to whoever comes knocking at our door. We could pay off the loans with a yearly budget that is clearly spelled out. Furthermore, the revenues that they produced from the profits of these facilities could go into the general fund or pay off the project. Keep in mind that the State Mill has served us for 100 years and has turned a profit every year giving our producers a reliable place to sell their products. I think if we want to promote agriculture in our state we could do the same with our other industries.

North Dakota has a proud and long history of supporting family farms and limiting large-scale agriculture from out-of-state corporations. We urge a **Do Not Pass** on this bill unless you strike out any reference to Animal Feeding Operations to Value Added Agriculture and ensure that entities receiving this assistance will not be granted tax abatements.