

Senate Finance and Taxation Committee

SB 2155

January 19, 2021

Honorable Chairman Bell and Committee Members,

Good morning. I am Brad Bekkedahl, Senator from District 1 in Williston. Thank you for the opportunity to introduce SB 2155.

This is a bill that modifies statute put in place in the 2015 Session relating to sales and use tax exemption for enterprise information technology equipment and computer software purchased for use in a qualified data center. As passed, HB 1089 limited application to the first four facilities approved by the tax commissioner as qualified data centers and provided an expiration date of December 31, 2020. It was my original intent with this bill to remove the limit on the number of qualifying data centers and remove entirely any expiration date. Since statute already requires this bill be reviewed once every six years with other tax incentives, I felt the sunset clause was no longer necessary. Also, as North Dakota energy development grows we become more attractive to this industry which is expanding globally to meet demand and the promotion of diversification of our economy with this kind of information technology is something that should not be limited in this time of opportunity.

Unfortunately, the drafting of the bill included the provisions I wanted removed. It was a miscommunication between myself and Legislative Council and my fault in using this new online system for not properly reviewing the bill prior to getting co-sponsors and introducing the bill. To correct this mistake, I have an amendment drafted that I would ask the Committee to support that removes the limit on numbers of qualified centers eligible and also removes the sunset written in the bill, leaving it with no expiration date. I apologize for having the committee deal with this amendment, but I want the bill to move to consideration as originally planned.

Chair Bell and Committee, thank you for your consideration of the bill and amendment. I ask for your support and would stand for any questions.