



NORTH DAKOTA  
PETROLEUM  
COUNCIL

100 West Broadway, Ste. 200 | P.O. Box 1395 | Bismarck, ND 58501-1395  
701.223.6380 | ndpc@ndoil.org | www.NDOil.org

## **Senate Bill 2291**

### **Testimony of Ron Ness**

#### **Senate Energy and Natural Resources Committee**

**February 4, 2021**

Chairman Bell and members of the Committee, my name is Ron Ness, president of the North Dakota Petroleum Council. The North Dakota Petroleum Council represents more than 650 companies in all aspects of the oil and gas industry, including oil and gas production, refining, pipeline, transportation, mineral leasing, consulting, legal work, and oilfield service activities in North Dakota. I appear before you today in support of Senate Bill 2291.

This bill prohibits the State Investment Board (SIB) from investing state funds for the purpose of “social investment” and instructs the state to avoid contracting with companies that boycott energy or commodities. Meaning, the SIB must make investment decisions based on maximizing returns to the state, and the state must avoid supporting companies who boycott our energy and commodity industries. This might sound like common sense, but there is a growing trend throughout the country to make investment decisions based on social or environmental interests, rather than maximizing returns for the investors, or to boycott certain types of energy or commodities no matter the financial cost.

The Legacy Fund, currently valued at \$7.89 billion and by far the largest fund managed by the SIB, is funded entirely by oil and gas production and extraction taxes. Oil and gas production in North Dakota is the only reason the Legacy Fund exists. I mentioned common sense earlier, here is another dose: the state should not be investing funds created by oil and gas production in funds that boycott oil and gas production. This legislation ensures that protection and we therefore urge a Do Pass recommendation on SB 2291.