



North Dakota House of Representatives

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COMMITTEES:

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Mr. Chairman, members of the committee - for the record, my name is Anna Novak, representative from District 33, proudly serving Coal Country. You have before you HB1511. This bill incentivizes companies to come to North Dakota and use our resources for the production and processing of critical minerals and rare earth elements by offering up-front tax breaks for new businesses. I believe HBISII position's North Dakota to be a leader in the domestic production of rare earth elements and critical minerals found in our state's natural resources.

Critical minerals and rare earth elements are needed for basically anything in the technology sector. From our cell phones, the computer chips in laptops, vehicles and military aircraft, critical minerals and rare earth elements are a major component used in the devices that keep us connected. Nearly 100% of these materials are secured from China so right now, we are completely reliant upon them for these items. Obviously, it's not good to be reliant on another country for anything, but for that country to be communist China is a very big problem. It's actually a national security risk. It's also estimated that they will run out of these materials in the next 5-10 years so regardless of the desire to halt business with China, it's a necessity to find these materials elsewhere.

I've included some information I obtained when I visited the EERC last fall and I've included it with your packet. I'd like you to take a look at the Periodic Table section on the front. On the left, it shows an iPhone and lists some of the elements needed to create some of the different components within it. If you look to the right, you'll see the Periodic Table. The elements with a blue box around them are elements that have been located within North Dakota's lignite coal seams. As you can see, there are high concentrations of extremely important and valuable materials right here in North Dakota.

Combine that, the fact that the coal mines here in North Dakota are not just already permitted but are already operating, our state's business-friendly environment and the favorable tax policy in this bill, I whole-heartedly believe that North Dakota will stand out from other states when a company is choosing where they want to do business.

I have Jason Bohrer from the Lignite Research Council, David Straley from NACCO industries, Lynn Helms from the Department of Minerals and Brian Kalk from the EERC planning to testify in favor of this bill. Technical questions would probably be best directed to them but I would be happy to answer any questions on what this bill means to my district specifically.

We have an incredible opportunity to develop these extremely valuable and lucrative materials right here. It's truly a "plus one" for our state and my district specifically because the materials have to be processed on site. After the supply chain issues we all experienced the last three years, I believe there is an awareness of how important it is for America to focus on keeping our supply chains right here in our country. We can do that right here in North Dakota and the time is now. With that, I'll answer any questions you have.