

Representative Mike Lefor

## HB 1379 Testimony

Good morning, chair Bekkedahl, vice chair Krebsbach and members of the Senate appropriations committee, for the record, my name is Mike Lefor and I represent District 37-Dickinson in the House. Today, I bring HB 1379 for your consideration.

Attached to my testimony you will find how the legacy streams or HB 1380 from the 2021 session and the current allocations in code. Going down the list, it includes dollars for the bond payments for water projects borrowed during the 2021 session, and allocations for PERS, Highway Tax Distribution Fund, two slots for “other legislative purposes” tax relief, clean sustainable energy, research, innovation, workforce and how the remaining earnings would be allocated.

In the HB 1380 version from last session, it included how the percent of market value would be addressed in code. Basically, it takes the last five fiscal year ending balance, divides it by five to get an average and then allocates 7% of that amount for distribution under the POMV section of the bill on the left side of the ledger.

You will note that many of the streams remain the same as they did in HB 1380. The differences include increasing the portion for tax relief from \$50 million to \$200 million as the legislature looks at various plans for tax relief for the coming biennium. The final stream on the POMV side would be for legacy projects.

On page three, you will see how HB 1379 would allocate dollars for the 25-27 biennium. I would direct your attention to the engrossed version of the bill and explain some of the provisions in it.

On page 1, starting on line 12, it breaks down the economic diversification research fund and the membership of the committee. Page 2 describes the process of how the dollars are spent and the reporting requirements. On page 3, beginning on line 18, it details the creation of the workforce development and enrichment fund and to appropriate dollars for strategic workforce development, technical education, workforce guidance and support.

Further, I would direct your attention to page 6, line 16 – which is new language added by the House appropriations committee, which provides that one percent of

the POMV would be returned to legacy fund principal. On pages 7 and 8 it goes through the allocations shown on the attachment from earlier in my testimony. On page 8, beginning on line 29, it describes “legacy projects fund which may be spent on projects and infrastructure designated for projects to support statewide economic diversification and growth, including projects related to tourism.

On page 9, beginning on line 4, if a political subdivision receives funding they must provide a report to the state treasurer detailing the use of the funding. Continuing on page 9, it shows the members of the legacy projects advisory board, how often they must meet and reporting requirements.

On page 10, beginning on line 8, it provides for the creation of the county and township bridge fund. The dollars would be authorized by the legislative assembly for the repair or replacement of county and township bridges within the county.

As you know, the expected earnings for this biennium will be between \$480 - \$510 million and not the \$680 million projected earlier. With the allocations under the totaling \$486.6 million, it renders the “remaining earnings” side largely moot.

HB 1379 attempts to provide many avenues to spur growth in our economy, through tax relief, economic diversification, clean sustainable energy, workforce development and more. That completes my testimony and I would the committee to consider giving this bill a “do pass” recommendation. Thank you.



# North Dakota Senate

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## **Senator Ronald Sorvaag**

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## **COMMITTEES:**

Appropriations - Education and Environment Division, Chairman

**Mar. 22, 2023**

**Chairman Bekkedahl and members of the Senate Appropriations Committee, Today, I am pleased to present testimony on the Research Section of House Bill 1379, I see this as a landmark investment in the future of North Dakota's economy.**

### **Section 2: Economic Diversification through Research Grant Program**

**I believe research is a worthy cause for the state to support in efforts to diversify North Dakota's economy, which will ease the burdens of volatility in energy and agriculture that affect all areas of the state.**

**This section of this bill creates a research grant program and advisory committee for the purpose of stimulating economic activity across the state – through the innovation of new technologies, businesses, and products in North Dakota's critical industries of value-added energy and agriculture, but also developing sectors from autonomous vehicles and UAS technologies to advanced data and healthcare.**

**The legislation specifies that \$10 million of Legacy Fund earnings would be transferred to the economic diversification research grant fund and 90% awarded equally between our state's two research universities, the University of North Dakota (UND) and North Dakota State University (NDSU), and the remaining 10% between the other institutions controlled by the state board of higher education.**

**Making a significant and predictable investment in research will:**

- sustain and boost our competitive advantages in agriculture and energy, and**
- produce discoveries and innovations in emerging sectors that translate into**
  - \*new 21st century economic opportunities,**
  - \*a more skilled workforce, and**
  - \*higher-paying jobs for North Dakotans.**

**Section 4: Workforce development and enrichment fund.**

**This section of this bill creates a Workforce development and enrichment fund. These dollars would be appropriated in grants for the following areas. Strategic workforce development, Technical education, Workforce diversification initiatives and Workforce guidance and support. Grants would be for one-time projects and initiatives. Grants for Capital projects must have a matching requirement.**

**Thirty percent of the moneys would be designated to support workforce initiatives in cities located in oil-producing counties. Having a trained and available workforce is critical to the future growth of North Dakota and all our communities.**

**I ask for your support for both these sections and the programs in them. They are important to our future as a state.**

**Sen. Ronald Sorvaag  
District 45**

# Projected Bridge Costs 2022 - 2041

## Bridge Needs 2022

Bridge Condition Rating

- Poor
- Fair
- Good
- Improved Bridges

Bridge Cost (Millions)

- 0 - 2
- 2.1 - 7
- 7.1 - 20
- 20.1 - 50
- 50.1 - 95



