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Testimony of Laura Lacher
Economic Development Association of North Dakota
In Opposition of SB 2406
September 1, 2026

Chairman Klein and Ruby, and members of the Special Ad Hoc Policy Committee:

My name is Laura Lacher, and I am the executive director of the Economic Development Association of North Dakota (EDND). EDND represents over 90 economic development organizations and business members on the front lines of growing North Dakota's economy, creating jobs, and diversifying our communities.

I am presenting high-level testimony today in opposition to Senate Bill 2406. Other EDND members will offer additional details regarding the operational impacts of this legislation.

EDND strongly supports open government, and we certainly agree that full public transparency is essential once a company intends to pursue a specific location and move forward with formal processes like permitting, zoning, or public assistance. However, protecting the due diligence and preliminary site-selection phase remains critical to our state's success.

SB 2406 presents significant challenges to North Dakota's ability to remain competitive for major business investment:

1. The broad definition of "industrial projects" alongside data centers casts too wide a net. Restricting standard economic development tools like non-disclosure agreements (NDAs) across such a sweeping definition creates confusion for public entities and businesses alike, stripping local governments of necessary flexibility without clear boundaries around what projects fall under these prohibitions.
2. Business attraction is an inherently competitive process. Companies routinely evaluate multiple states simultaneously and require confidentiality during early due diligence to safeguard proprietary operational details and sensitive corporate growth strategies.

Premature public exposure severely risks project viability by driving land speculation and inflating property prices, alerting competitors, and inviting aggressive project poaching from competing states before a site is fully secured. If North Dakota enacts a blanket prohibition on reasonable NDAs during preliminary site inquiries, companies will simply eliminate our state from their shortlists. Transparency and economic competitiveness can coexist. Existing state law already strikes the right balance by protecting early-stage due diligence while requiring full public disclosure once a project moves into formal public processes.

SB 2406 removes a critical economic development tool and risks turning businesses away. For these reasons, EDND respectfully urges a **Do Not Pass** recommendation on SB 2406.

Thank you for your time and consideration.