



Letter of Opposition – HB 1571

Tuesday, January 28, 2025

Chairman Headland and members of the House Finance and Taxation Committee,

For the record, my name is Cale Dunwoody, and I have the distinct pleasure of serving as the Vice President of Public Policy for the Fargo Moorhead West Fargo Chamber of Commerce (FMWF Chamber). On behalf of our over 1,700 members, I respectfully offer testimony in opposition to House Bill 1571.

At the FMWF Chamber, our mission is to protect and promote business, inspire individuals, cultivate communities, and influence action. As we continue to diversify our economy, the bioscience industry shows great promise of economic development through wealth and job creation across our region and state. The industry is one of strong competition, and as such, incentives have a large influence on our state's ability to attract and retain highly impactful companies.

Repeal of the tax exemption for raw materials, single-use product contact systems, and reagents for biologic manufacturing, would hinder the economic development momentum of this industry. Our region has seen great strides in this emerging industry over the last decade. Gross Regional Product (GRP) grew from \$87.5 million in 2013 to \$418.6 million in 2023. Notable growth occurred between 2022 and 2023 when GRP grew from \$320 million to \$418.6 million – nearly \$100 million increase in a single year. In addition to this growth, the industry supports the North Dakota economy – paying over \$167 million in wages and salaries to its employees in 2023.

The removal of this incentive would put North Dakota at a competitive disadvantage in relation to the many states where exemptions apply, making our region less attractive to potential and existing businesses. As such, we respectfully urge the committee to give this bill a DO NOT PASS recommendation.

Thank you for your attention to this matter and your commitment to North Dakota.

A handwritten signature in black ink, appearing to read "Cale Dunwoody", written in a cursive style.

Sincerely,

Cale Dunwoody
Vice President of Public Policy
Fargo Moorhead West Fargo Chamber of Commerce