



January 29, 2025

Chairman Weber and members of the Senate Finance and Tax Committee,

I am submitting this written testimony in opposition to Senate Bill 2320 on behalf of the Lignite Energy Council. This bill poses significant risks to North Dakota's emerging carbon economy by discouraging investment in critical CO₂ pipeline infrastructure. The current 10-year property tax exemption plays a vital role in attracting developers to our state for these capital-intensive projects, which are essential for enhanced oil recovery (EOR) in the Bakken and secure geologic storage.

Future CO₂ pipelines that transport carbon dioxide from coal plants to the Bakken oil fields will be essential for supporting North Dakota's tax revenue from oil production. Enhanced oil recovery, driven by these pipelines, allows us to maximize the value of our state's oil resources while simultaneously creating opportunities for coal plants to produce CO₂ as a marketable commodity for that production to occur. This dual benefit strengthens both the coal and oil industries, ensuring long-term economic growth and energy leadership for our state.

Removing or limiting the tax exemption would create uncertainty, driving investment away from North Dakota to other states. Additionally, while the exemption provides temporary relief during the early years of these projects, it results in significant long-term property tax revenue for local communities once the exemption period ends.

The exemption supports economic growth, innovation, and North Dakota's leadership in energy development. Senate Bill 2320 would jeopardize these benefits, hinder progress, and send a discouraging signal to investors. For these reasons, I respectfully urge the Senate Finance and Tax Committee to oppose this bill with a Do Not Pass recommendation.

Thank you for your consideration,

Jonathan Fortner
VP of Government Relations
Lignite Energy Council