



WESTERN DAKOTA ENERGY ASSOCIATION

January 27, 2025

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Testimony of:

Geoff Simon, Lobbyist #144
in support of SB 2323 – Hub City Debt Relief
Senate Finance and Taxation Committee

Chairman Weber and members of the Senate Finance and Taxation Committee:

On behalf of the city, county and school district members of the Western Dakota Energy Association (WDEA), we wish to express our strong support for SB 2323, which would provide long-overdue debt relief to the Hub Cities of Dickinson, Minot and Williston.

Senator Bekkedahl's pre-filed testimony succinctly outlines the history of oil and gas development and the eventual recognition of the legislature that the state needed to do much more to support political subdivisions in western North Dakota that were struggling to cope with the impact of explosive Bakken development. To put it politely, the legislature was late to the game, initially assuming that counties would bear the burden of oil impacts related to heavy oilfield truck traffic. While county roads took a beating, the legislature initially failed to recognize the significant impact to municipalities that were forced to expand infrastructure to cope with rapidly growing population associated with Bakken development. It wasn't until the 2013 legislative session when the need to provide additional financial support to the Hub Cities was first acknowledged.

As articulated by Senator Bekkedahl, infrastructure impacts to the Hub Cities were huge, forcing Williston to build a new airport and expand its wastewater treatment facility, putting the city hundreds of millions of dollars in debt. Dickinson and Minot experienced similar growing pains, albeit not the extreme experienced in Williston. Meanwhile, the state of North Dakota was reaping billions in new tax revenue, while the Hub Cities were compelled to issue bonds to finance their expansion projects, placing the burden on local taxpayers.

SB 2323 seeks to rectify the state's delay in responding to the needs of the Hub Cities by providing \$20 million per year, split proportionately among the three cities, to assist them in paying off the debt they incurred as a result of oilfield development. The state of North Dakota has reaped huge financial benefits from Bakken development, largely on the backs of communities in western North Dakota, so it's appropriate to support legislation that will begin to unburden the Hub Cities, allowing them to address other local needs that have gone unmet due to the lingering debt repayment obligations.

We encourage your strong support of SB 2323. Thank you for the opportunity to submit testimony regarding this important issue.

Geoff Simon
Executive Director

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