

Fifty-fifth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE CONCURRENT
RESOLUTION NO. 3027

Introduced by

Representatives Glassheim, Axtman, Poolman

1 A concurrent resolution urging Congress and state and local government leaders to seek an
2 end to bidding wars among states and local governments for economic develop projects.

3 **WHEREAS**, state and local units of government offer targeted incentives to promote
4 their respective economic development objectives; and

5 **WHEREAS**, incentives, which are provided to secure a competitive advantage in
6 bidding wars between communities competing to attract a relocating business, are sharply
7 differentiated from assistance, which is offered to enable businesses and entrepreneurs to
8 meet the financial and operational challenges of legitimate business development and
9 expansion; and

10 **WHEREAS**, those objectives frequently focus on attracting businesses to move from
11 one locality to another, representing a loss of jobs and revenues in the locality from which the
12 business departed equal to the gain in jobs and revenues at the new site of the relocated
13 business; and

14 **WHEREAS**, the result of such economic piracy provides no net gain to the United
15 States economy; and

16 **WHEREAS**, the locality offering the incentives experiences a diminished capacity to
17 support essential educational, infrastructure, and other costs of maintaining a highly
18 competitive business environment; and

19 **WHEREAS**, in the developing global economy, the education and skills of our workers,
20 the quality and capacity of our infrastructure, the equity of our tax structure, and the quality of
21 life in our communities is critical to our success as a global competitor; and

22 **WHEREAS**, the trend in the magnitude and the nature of the incentives offered to lure
23 businesses to new locations is toward unbounded excess; and

24 **WHEREAS**, the burden of financing these incentives may be inequitably distributed
25 among the citizens and businesses of the incentive-providing community; and

1 **WHEREAS**, states and local units of government might be better served, and achieve a
2 higher level of global economic competitiveness, by diversion of their economic development
3 investment dollars from the granting of excessive incentives to the attainment of a less
4 burdensome tax climate, a better trained and more productive work force, enhanced
5 infrastructure, a quality transportation system, and a generally improved quality of life; and

6 **WHEREAS**, no single state can unilaterally disarm in this competition between the
7 states;

8 **NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES**
9 **OF NORTH DAKOTA, THE SENATE CONCURRING THEREIN:**

10 That the North Dakota Legislative Assembly strongly urges the North Dakota
11 Congressional delegation to support legislation, in the United States Congress, that will begin
12 the process of disarmament in the economic war among the states, especially as it relates to
13 the granting of incentives to lure businesses from one locality to another; and

14 **BE IT FURTHER RESOLVED**, that the North Dakota Legislative Assembly strongly
15 urges the National Governors Association to study and address the use of incentives as an
16 economic development tool in interstate competition; and

17 **BE IT FURTHER RESOLVED**, that the North Dakota Legislative Assembly strongly
18 urges governors and legislatures in the respective states, as well as mayors and other leaders
19 of local units of government throughout the nation to promulgate this message; and

20 **BE IT FURTHER RESOLVED**, that the Secretary of State forward copies of this
21 resolution to the members of the North Dakota Congressional delegation, to the Speaker and
22 the Clerk of the United States House of Representatives, to the President Pro Tempore and the
23 Secretary of the United States Senate, and to the governors and the appropriate officers of the
24 legislatures of all the other states.