

City of Larimore

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House Bill No. 1170

Testimony

Dean Elfman, Mayor

City of Larimore, North Dakota

House Finance and Taxation Committee

January 10, 2023

My name is Dean Elfman, I am the mayor of the City of Larimore in northeastern North Dakota, and I support House Bill 1170. I believe that this tax exemption will assist with expanding the availability of natural gas throughout the state, bringing it to communities that do not already have natural gas service.

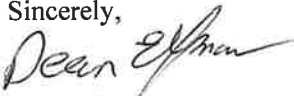
The residents and businesses of Larimore currently lack access to natural gas. Although the city has tried to obtain natural gas in the past, no project was feasible, and Larimore's citizens must continue to rely on other energy sources for their heating and other needs. Currently, the city is working with Dakota Natural Gas, LLC to determine whether a project to bring natural gas to the city can become a reality, but it will not be an easy task.

The city believes that natural gas access – both for Larimore and for other communities – is important to its future. Natural gas service will significantly increase the city's economic development opportunities, as it is a sought-after resource when businesses are selecting development locations. In addition, natural gas prices are very competitive, and the city believes that its residents will experience substantial economic savings if they have the option of using natural gas as an energy source.

There is likely a long list of communities that, like Larimore, would like to provide their residents with access to natural gas but which are unable to do so because of the cost involved in building new natural gas systems. There are many aspects of system cost that we cannot impact, so it is important that we control what we can. Every step toward decreasing the cost of natural gas system construction brings us one step closer to expanding natural gas throughout North Dakota. I believe that creating a tax exemption for new natural gas systems to help offset the early costs of the system will make it easier for communities like Larimore to secure natural gas for our residents. This is something that we can control without causing any adverse effects to current revenue streams or budgets.

I respectfully encourage you to vote affirmatively for House Bill 1170 and help secure a prospective tax exemption that will help the state work toward its goal of natural gas expansion and help communities like Larimore have a better chance at getting natural gas to our cities and towns. Thank you for your consideration.

Sincerely,



Mayor Dean Elfman

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