

Testimony of Samantha Vangsness

Executive Director, North Dakota Ethanol Producers Association

In Opposition of SB 2383

February 1, 2023

Chairman Kannianen and members of the Senate Finance and Taxation Committee,

Thank you for the opportunity to testify before you today, I am Samantha Vangsness. I am executive director for the North Dakota Ethanol Producers Association (NDEPA), which represents North Dakota's six ethanol plants, industry stakeholders and associated businesses. I am here today to voice opposition to SB 2383, which exempts persons operating a CO₂ pipeline and utilizing the 45Q tax credit from also utilizing North Dakota's property tax exemption for CO₂ pipelines.

Thanks to North Dakota's innovative private sector and supportive state government, North Dakota's ethanol industry has been effective in diversifying and marketing the various products produced in the ethanol production process, including ethanol, distillers grains, corn oil, and carbon dioxide. According to a recent study conducted by North Dakota State University, the ethanol industry contributes nearly \$1.7 billion annually to the state's economy and provides thousands of direct and indirect jobs. The industry converts 40-60% of the state's corn crop into more than 550 million gallons of ethanol, 1.5 million tons of high-value livestock feed (distillers grain) and 20 million gallons of corn oil used in renewable diesel.

North Dakota's business-friendly environment has allowed the state's ethanol industry to more than quadruple its capacity in the past decade. The actions in this bill will limit future opportunities in low-carbon markets that the North Dakota ethanol industry is currently pursuing. Many plants across North Dakota are looking at ways to lower carbon intensity scores and implementing CO₂ pipelines may be part of achieving that. For years the legislature has been encouraging and supporting the development of low-carbon markets to secure a strong future for energy and agriculture. But this proposed legislation would compromise those efforts by prohibiting the use of an important CO₂

pipeline property tax exemption by projects that utilize the 45Q tax credit. Pipelines are critical to safely moving this product and attempts to make it less attractive to build pipelines should be rejected.

Thank you for your time, and I respectfully urge a 'Do Not Pass' recommendation on SB 2383. I stand for any questions.