



WESTERN DAKOTA ENERGY ASSOCIATION

January 30, 2025

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Testimony of:

Geoff Simon, Lobbyist #144
in opposition to HB 1218 – Water project funding
House Energy and Natural Resources Committee

Chairman Porter and members of the House Energy and Natural Resources Committee:

On behalf of the city, county and school district members of the Western Dakota Energy Association (WDEA), we wish to express our opposition to HB 1218. Our members not only host the backbone of the state's economy, but also generate the tax revenues that fund essential infrastructure, including water projects across North Dakota.

While we support responsible investment in water management, we must oppose House Bill 1218 for one fundamental reason: economic analysis ensures transparency and responsible use of our taxpayer dollars. Raising the economic analysis threshold does not increase funding for water projects. The only way to increase funding is by increasing revenues, and those revenues come from oil and gas production.

Proponents of HB 1218 suggest that raising the economic analysis threshold will help fund more drainage and flood protection projects. However, changing the threshold does not generate new dollars, it only changes how existing funds are allocated. The reality is that North Dakota's water projects are funded through the Resources Trust Fund, revenues of which come from oil and gas production. If we want more funding for flood protection and drainage projects, the most effective approach is to support policies that encourage oil and gas production, which increases tax revenues and, in turn, increases available funding for water infrastructure.

The economic analysis process exists to ensure that taxpayer dollars are invested in projects that provide measurable public benefits. By raising the threshold to \$5 million, HB 1218 weakens fiscal oversight and increases the risk of approving projects that may not deliver a return on investment proportional to their cost. North Dakotans want our tax dollars allocated wisely, with proper scrutiny to avoid waste and inefficiencies.

If we want to increase funding for drainage and flood protection projects, we need to increase revenue, not weaken oversight. WDEA urges the committee to reject HB 1218.

Geoff Simon
Executive Director