

**2025 SENATE FINANCE AND TAXATION**

**SB 2177**

# 2025 SENATE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2177  
1/20/2025

Relating to the allocation of sales tax revenue; and to provide a continuing appropriation.
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10:00 a.m. Chairman Weber reconvened the hearing.

Members present: Chairman Weber, Vice Chairman Rummel, Senator Marcellais, Senator Patten, Senator Powers, Senator Walen

### Discussion Topics:

- County and township coordination in allocating funds
- Defining an animal agricultural facility
- Methods for state to track expenses from animal agricultural facilities

10:03 a.m. Senator Thomas, District 6, introduced SB 2177 and testified in favor and submitted testimony #30224.

10:22 a.m. Doug Goehring, Commissioner, Department of Agriculture, testified in favor and submitted testimony #30197.

10:29 a.m. Larry Syverson, Executive Director, North Dakota Township Officers Association, testified in favor and submitted testimony #30195.

10:33 a.m. Parrell Grossman, Legislative Director, North Dakota Soybean Grower's Association, testified in favor and submitted testimony #30021.

10:36 a.m. Lesley Icenogle, State Government Liaison, North Dakota Corn Growers Association, testified in favor and submitted testimony #30093.

10:37 a.m. Julie Ellingson, North Dakota Stockmen's Association, testified in favor.

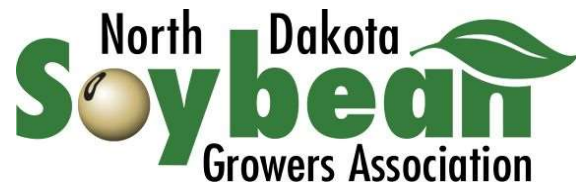
10:42 a.m. Matthew Purdue, Representative, North Dakota Farmer's Union, testified in favor.

10:47 a.m. Pete Hanebutt, Director of Public Policy, North Dakota Farm Bureau, testified in favor.

10:51 a.m. Shannon Fleisher, Associate Director, ND Tax Commissioner's Office, testified in neutral.

11:00 a.m. Vice Chairman Rummel closed the hearing

*Chance Anderson, Committee Clerk*



Chairman Weber and members of the Senate Finance and Taxation Committee. My name is Parrell Grossman and it is my privilege to be the Legislative Director for the North Dakota Soybean Growers Association. I appear in support of Senate Bill 2177.

The Association advocates for more than 8,900 operations that raise soybeans in North Dakota. In 2024, North Dakota soybean farmers planted six million six hundred thousand acres of soybeans, producing over 245 million bushels of soybeans in North Dakota.

According to a 2022 North Dakota Agriculture Industry Economic Contribution Analysis conducted by the NDSU Department of Agriculture, the economic contribution to North Dakota is \$30.8 billion, including \$18.8 billion from direct output and \$12 billion from secondary output.

There are many valid, and even compelling, reasons for this legislature to enact this legislation. Earmarking sales and use tax revenues collected and related to animal agriculture facilities, specifically for construction, repairs and equipment, and then dedicating those funds to, or otherwise allowing the counties directly impacted to use these same funds for infrastructure projects near animal agricultural facilities or other county expenses, is a sound fiscal policy and makes good sense.

These animal agriculture facilities bring economic development to the counties in which they are located in by providing new jobs and boosting the local economies in many ways through the increased sales of goods and services. At the same time, these facilities may create significant needs for services including roads, sewer, water, etc. The impact on the counties can be significant in terms of the additional infrastructure expenses and services they must provide as a direct result of these projects.

It would be difficult to find a more direct and close relationship than the one between these particular sales and use taxes collected and the impacts of these agricultural facilities on the local counties. Earmarking and using these taxes to assist in funding for the local infrastructure purposes and for the benefit of these rural areas and citizens is necessary, fair and equitable.

With agriculture as our number two economic contributor in this state, we should continue to attract these animal agriculture facilities and reciprocate by recognizing this symbiotic relationship and continuing to significantly invest in North Dakota agriculture.

For the reasons stated, the Association respectfully asks the Senate Finance and Taxation Committee to give Senate Bill 2177 a “Do Pass” recommendation.

Thank you for your consideration and I would be happy to answer any questions.



**In Favor of SB 2177**  
**Senate Finance and Taxation**  
**January 20, 2025**

Chairman Weber and Committee members:

For the record, my name is Lesley Icenogle, state government liaison for the North Dakota Corn Growers Association (NDCGA). NDCGA represents more than 13,000 growers across the state. Thank you for the opportunity to share our support for Senate Bill 2177.

Expanding animal agriculture is a policy priority for NDCGA. North Dakota annually produces around 400 million bushels of corn, with nearly half dedicated to ethanol production and 11% to animal feed. North Dakota's ethanol plants, in turn, annually produce 1.5 million tons of distillers grains, a protein-rich feed supplement for livestock. North Dakota exports more than 80% of this valuable coproduct due to excess supply for the current demand.

SB 2177 provides funding to counties for infrastructure projects near animal ag facilities. Consistent funding for rural infrastructure is critical, particularly with the spending caps for political subdivisions under consideration as part of property tax reform. This bill will help counties support animal ag development.

The NDCGA mission statement is "growing a healthy, profitable business climate for northern corn," and developing animal agriculture facilities and infrastructure in the state will help us meet this mission. We urge your support for SB 2177. Thank you for your consideration, and I will stand for questions.

Support of SB2177

Senate Finance and Taxation Committee

January 20, 2025

Good morning, Chairman Weber and Committee members.

I am Larry Syverson from Mayville. I grow soybeans on my farm in Traill County. I am the Chairman of the Board of Supervisors for Roseville Township in Traill County and the Executive Director of the North Dakota Township Officers Association. NDTOA represents 6,000 Township Officers serving more than 1,400 dues-paying member townships.

As a soybean-growing farmer, I appreciate any opportunity to build a domestic market for my crop, and the expansion of animal agriculture is one way to build the domestic market. However, as a township officer, I must be concerned about the impact on the township infrastructure. The frequent, year-round truck traffic will have a very costly effect on the roads of a township.

The structures for these developments are exempt from property tax under 57-02-08 (15, a,4), so the local subdivisions do not gain funding to counter the increased cost. The rest of the taxpayers are left to subsidize these developments. In some cases, ag-infrastructure grants are available to help with initial costs, but those are one-time funds; they do not address ongoing costs, such as extra gravel, extra blading, and extra snow removal. SB2177 will help bridge the funding gap caused by these developments.

I support SB2177, but it needs to be amended to include township infrastructure. As written, SB2177 only addresses county costs, but in many cases, it will be a township road that is directly affected by the increased traffic.

I also find the very last five words of SB2177 to be very troubling. "or for other county expenses." Those words will allow funds to be diverted from the intended infrastructure needs.

Chairman Weber and committee members, thank you for this opportunity to testify today. Please amend SB2177 and then give it your favorable consideration. This concludes my prepared statement. I will try to answer any questions you might have.

COMMISSIONER  
DOUG GOEHRING



ndda@nd.gov  
www.nd.gov/ndda

**NORTH DAKOTA  
DEPARTMENT OF AGRICULTURE**

STATE CAPITOL  
600 E. BOULEVARD AVE. - DEPT. 602  
BISMARCK, ND 58505-0020

**Testimony of Doug Goehring  
Agriculture Commissioner  
Senate Finance and Taxation Committee  
Fort Totten Room  
January 20, 2025**

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Chairman Weber, and members of the Senate Finance and Taxation Committee, I am Agriculture Commissioner Doug Goehring and I'm here today in support of Senate Bill 2177.

I would like to commend the legislature on the continued work to support the development and enhancement of animal agriculture in the state. This bill is just another example of great work to ensure animal agriculture is supported around the state. During the interim, I chaired the model zoning task force and an issue that was discussed multiple times was infrastructure surrounding animal ag operations. This bill will go a long to assist counties and townships to address that infrastructure needs.

Chairman Weber, and committee members, thank you for your time and I'd be happy to answer any questions you may have.

## Support of SB 2177

Chairman Weber and members of the Senate Finance and Tax committee. I am Paul Thomas, Senator from District 6. I am here today to introduce and ask your support for SB 2177.

SB 2177 continues to build upon the state's support for the livestock industry in North Dakota. SB 2177 will allow an individual owner who invests in a livestock facility and, or equipment that is subject to property tax to remit his receipts to the state tax commissioner to have the sales tax they paid be distributed to the county where the livestock facility is located. A minimum investment of \$150,000 dollars would have to be made in a calendar year to qualify this program.

I ask that you support 2177.

Senator Paul Thomas

District 6

[paulthomas@ndlegis.gov](mailto:paulthomas@ndlegis.gov)

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# 2025 SENATE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2177  
2/5/2025

Relating to the allocation of sales tax revenue; and to provide a continuing appropriation.
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9:40 a.m. Chairman Weber opened the hearing.

Members present: Chairman Weber, Vice Chairman Rummel, Senator Marcellais, Senator Patten, Senator Powers, Senator Walen

### **Discussion Topics:**

- Qualifications for new fund allocation

9:41 a.m. Senator Rummel provides an update on bill.

9:45 a.m. Chairman Weber adjourned the meeting.

*Chance Anderson, Committee Clerk*

# 2025 SENATE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2177  
2/10/2025

Relating to the allocation of sales tax revenue; and to provide a continuing appropriation.
---

10:21 a.m. Chairman Weber opened the hearing.

Members present: Chairman Weber, Vice Chairman Rummel, Senator Marcellais, Senator Patten, Senator Powers, Senator Walen

### **Discussion Topics:**

- Pending amendment from Senator Thomas

10:23 a.m. Chairman Weber closed the hearing.

*Chance Anderson, Committee Clerk*

# 2025 SENATE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2177  
2/10/2025

Relating to the allocation of sales tax revenue; and to provide a continuing appropriation.
---

3:33 p.m. Chairman Weber opened the hearing.

Members present: Chairman Weber, Vice Chairman Rummel, Senator Marcellais, Senator Patten, Senator Powers, Senator Walen

### Discussion Topics:

- Amendment proposing changes in fiscal year date
- Language clarification
- Inclusion of new equipment
- Expiration date
- Township funding request

3:48 p.m. Senator Walen moved to adopt amendment LC#25.0947.01005.

3:49 p.m. Vice Chairman Rummel seconded the motion.

Senators	Vote
Senator Mark F. Weber	Y
Senator Dean Rummel	Y
Senator Richard Marcellais	Y
Senator Dale Patten	Y
Senator Michelle Powers	Y
Senator Chuck Walen	Y

Motion passed 6-0-0.

3:49 p.m. Vice Chairman Rummel moved a Do Pass as Amended.

3:49 p.m. Senator Walen seconded the motion.

Senators	Vote
Senator Mark F. Weber	Y
Senator Dean Rummel	Y
Senator Richard Marcellais	Y
Senator Dale Patten	Y
Senator Michelle Powers	Y
Senator Chuck Walen	Y

Motion passed 6-0-0.

Senate Finance and Taxation Committee  
SB 2177  
February 10, 2025  
Page 2

Vice Chairman Rummel will carry the bill.

3:51 p.m. Chairman Weber adjourned the meeting.

*Chance Anderson, Committee Clerk*

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(23

Sixty-ninth  
Legislative Assembly  
of North Dakota

## PROPOSED AMENDMENTS TO

### SENATE BILL NO. 2177

Introduced by

Senators Thomas, Conley, Hogue

Representatives Hagert, Schreiber-Beck, Lefor

1 A BILL for an Act to create and enact a new section to chapter 57-39.2 of the North Dakota  
2 Century Code, relating to an animal agriculture facility infrastructure fund; to amend and reenact  
3 subsection 9 of section 11-23-02 and section 57-39.2-26 of the North Dakota Century Code,  
4 relating to county budget limits and the allocation of sales tax revenue; ~~and~~ to provide a  
5 continuing appropriation; and to provide an expiration date.

#### 6 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

7 **SECTION 1. AMENDMENT.** Subsection 9 of section 11-23-02 of the North Dakota Century  
8 Code is amended and reenacted as follows:

9 9. The amount of cash reserve for the general fund and each special revenue fund, not  
10 to exceed seventy-five percent of the appropriation for the fund. This subsection does  
11 not apply to the cash reserve for the infrastructure development fund.

12 **SECTION 2. AMENDMENT.** Section 57-39.2-26 of the North Dakota Century Code is  
13 amended and reenacted as follows:

#### 14 **57-39.2-26. Allocation of revenue. (Effective through June 30, 2027)**

15 Except as provided by sections 57-39.2-26.1, 57-39.2-26.2, 57-39.2-26.3, ~~and~~ 57-39.2-26.4,  
16 and section 23 of this Act, all moneys collected and received under this chapter must be paid  
17 into the state treasury and must be credited by the state treasurer to the general fund. Moneys  
18 deposited with the commissioner as security for the payment of tax, penalties, or costs due  
19 must be deposited and accounted for as provided in subsection 3 of section 57-39.2-12.

**Allocation of revenue. (Effective after June 30, 2027)** Except as provided by sections 57-39.2-26.1 and, 57-39.2-26.2, and section 23 of this Act, all moneys collected and received under this chapter must be paid into the state treasury and must be credited by the state treasurer to the general fund. Moneys deposited with the commissioner as security for the payment of tax, penalties, or costs due must be deposited and accounted for as provided in subsection 3 of section 57-39.2-12.

**SECTION 3.** A new section to chapter 57-39.2 of the North Dakota Century Code is created and enacted as follows:

**Animal agriculture facility infrastructure fund - State treasurer - Continuing appropriation.**

1. The animal agriculture facility infrastructure fund is created as a special fund in the state treasury. The fund consists of all moneys transferred to the fund under subsection 2. All moneys in the fund are appropriated to the ~~the~~ state treasurer on a continuing basis for the purpose of providing distributions to counties.
2. Notwithstanding any other provision of law, after the allocations under sections 57-39.2-26.1, 57-39.2-26.2, 57-39.2-26.3, and 57-39.2-26.4, a portion of sales, gross receipts, and use tax collections equal to the combined total of the amounts certified under subsection ~~34~~, not to exceed five hundred thousand dollars per year, must be deposited by the state treasurer in the animal agriculture facility infrastructure fund as needed. ~~The tax commissioner shall calculate the amount needed for distributions under subsection 3 and shall certify to the state treasurer the portion of sales, gross receipts, and use tax net revenues that must be deposited in the fund to provide for the distributions.~~
3. ~~At least once~~ Once per ~~fiscal~~ year, the state treasurer shall distribute to each county the amount certified by the tax commissioner under subsection 4. If the amount certified for a year exceeds five hundred thousand dollars, the state treasurer shall distribute the funding on a pro rata basis.
4. The amount certified by the tax commissioner ~~each fiscal year~~ for each county is the sum of the state portion of sales, gross receipts, and use tax ~~imposed~~ due under this title on eligible tangible personal property purchased to construct ~~or repair~~ new or to expand, upgrade, or replace existing animal agriculture facilities located in the county



~~or to operate or repair, including the purchase of new equipment used in animal~~  
~~agriculture facilities located in the county, based on documentation of proof of~~  
~~purchase~~ submitted to the tax commissioner ~~during the fiscal year~~ by the facility owner,  
facility operator, or a contractor.

5. ~~Documentation of proof of purchase, including any required supporting documentation,~~  
~~must be submitted in the form and manner prescribed by the tax commissioner. The~~  
~~documentation for eligible tangible personal property submitted under this section~~  
~~must equal a taxable value of at least five hundred thousand dollars purchased during~~  
~~the calendar year and must be submitted by March thirty-first of the subsequent year.~~  
~~For purposes of this section, "animal agriculture facility" means a building or structure~~  
~~where an animal is kept, handled, housed, or bred.~~

~~4.6. A county shall use the funding distributed under this section~~ Upon receipt of the funding  
distributed under this section, the county treasurer shall deposit the funding into an  
infrastructure development fund. The infrastructure development fund consists only of  
the funding distributed under this section and may be used only for infrastructure  
projects near animal agriculture facilities located in the county or for other county  
expenses. Pursuant to section 11-23-02, the cash reserve in the county's  
infrastructure development fund may exceed the limit for the fund.

7. An organized township within the county may request a portion of the funding from the  
county's infrastructure development fund for township road projects near animal  
agriculture facilities located in the township, and the county treasurer may distribute  
the requested funding to the organized township upon approval by the board of county  
commissioners.

**SECTION 4. EXPIRATION DATE.** This Act is effective through June 30, 2029, and after that  
date is ineffective.

**REPORT OF STANDING COMMITTEE  
SB 2177**

**Finance and Taxation Committee (Sen. Weber, Chairman)** recommends **AMENDMENTS** ([25.0947.01005](#)) and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2177 was placed on the Sixth order on the calendar. This bill does not affect workforce development.



**2025 HOUSE FINANCE AND TAXATION**

**SB 2177**

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Room JW327E, State Capitol

SB 2177  
3/10/2025

Relating to an animal agriculture facility infrastructure fund; to amend and reenact subsection 9 of section 11-23-02 and section 57-39.2-26 of the North Dakota Century Code, relating to county budget limits and the allocation of sales tax revenue; to provide a continuing appropriation; and to provide an expiration date.

9:52 a.m. Chairman Headland opened the hearing.

Members Present: Chairman Headland, Vice Chairman Hagert, Representatives D. Anderson, Dockter, Dressler, Foss, Grueneich, Ista, Motschenbacher, Nehring, J. Olson, Steiner, Toman  
Members Absent: Representative Porter

### **Discussion Topics:**

- Agricultural facilities
- Dairy project

9:53 a.m. Senator Paul Thomas, District 6, introduced the bill.

10:05 a.m. Lance Gaebe, Policy Strategist, ND Farmers Union, testified in favor and submitted testimony #39809.

10:07 a.m. Parrell Grossman, Legislative Director, ND Soy Bean Growers Association, testified in favor and submitted testimony #39999.

10:09 a.m. Lesley Icenogle, ND Corn Growers Association, testified in favor and submitted testimony in #39863.

10:10 a.m. Pete Hanebutt, ND Farm Bureau, testified in favor.

10:11 a.m. Jade Koski, Special Projects Director, ND Stockmen's Association, testified in favor.

10:13 a.m. Larry Syverson, Executive Director, ND Township Officers Association, testified in favor and submitted testimony #39886.

10:16 a.m. Chairman Headland closed the hearing.

*Janae Pinks, Committee Clerk*



Contact:  
**Lance Gaebe, Lobbyist**  
[lgaebe@ndfu.org](mailto:lgaebe@ndfu.org) | 701 952-0103

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**Testimony of Lance Gaebe  
North Dakota Farmers Union  
In Support of SB 2177  
House Finance and Taxation Committee  
March 10, 2025**

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Chairman Headland and members of the Finance and Taxation Committee,

Thank you for the opportunity to testify on Senate Bill No. 2177. My name is Lance Gaebe, and I am testifying on behalf of North Dakota Farmers Union's (NDFU) members in support of SB 2177.

During our most recent annual convention, NDFU members adopted a special order of business outlining priorities for this legislative session. Among that list of priorities is support for programs that "promote locally led livestock development." NDFU believes SB 2177 is a meaningful step toward that goal.

Senate Bill 2177 redirects the sales and use tax collected to construct, expand or repair a larger scale animal agriculture facility to the county in which the facility is located. Under current law, those sales taxes remain in the General Fund. This proposal would up to direct \$500,00 annually to the political subdivision for infrastructure improvements and maintenance.

SB 2177 is modeled after a similar sales and use tax rebate in South Dakota. We believe this new program will complement existing programs that support locally-led livestock development, including the Agriculture Infrastructure Fund and the Regional Livestock Development and Planning Grant program.

NDFU respectfully request a "Do Pass" recommendation on SB 2177. Thank you for your consideration. I will stand for any questions.



**In Favor of SB 2177**  
**House Finance and Taxation**  
**March 10, 2025**

Chairman Headland and Committee members:

For the record, my name is Lesley Icenogle, state government liaison for the North Dakota Corn Growers Association (NDCGA). NDCGA represents more than 13,000 growers across the state. Thank you for the opportunity to share our support for Senate Bill 2177.

Expanding animal agriculture is a policy priority for NDCGA. North Dakota annually produces around 400 million bushels of corn, with nearly half dedicated to ethanol production and 11% to animal feed. North Dakota's ethanol plants, in turn, annually produce 1.5 million tons of dried distillers grains, a protein-rich feed supplement for livestock. North Dakota exports more than 80% of this valuable coproduct due to excess supply for the current demand.

SB 2177 provides funding to counties for infrastructure projects near animal ag facilities. Consistent funding for rural infrastructure is critical, particularly with the spending caps for political subdivisions under consideration as part of property tax reform. This bill will help counties support animal ag development, which is significantly lagging in our state compared to our neighboring states. We need animal agriculture to expand in North Dakota, not only for economic development purposes, but also to keep generations in the state. For example, crop production on a family's acreage may not be enough to support two siblings who both want to farm. Adding livestock to a farming operation can

make it possible for both to state in the state, farm together, and earn enough to support two families in the future.

The NDCGA mission statement is “growing a healthy, profitable business climate for northern corn,” and developing animal agriculture facilities and infrastructure in the state will help us meet this mission. We urge your support for SB 2177. Thank you for your consideration, and I will stand for questions.

Support of SB2177

House Finance and Taxation Committee

March 10, 2025

Good morning, Chairman Headland and Committee members.

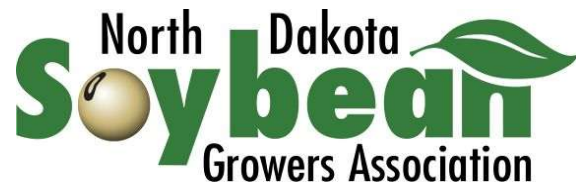
I am Larry Syverson from Mayville. I grow soybeans on my farm in Traill County. I am the Chairman of the Board of Supervisors for Roseville Township in Traill County and the Executive Director of the North Dakota Township Officers Association. NDTOA represents 6,000 Township Officers serving more than 1,400 dues-paying member townships.

As a soybean-growing farmer, I appreciate any opportunity to build a domestic market for my crop, and the expansion of animal agriculture is one way to do this. However, as a township officer, I must be concerned about the impact on the township infrastructure. The frequent, year-round truck traffic will have a very costly effect on the township's roads.

The structures for these developments are exempt from property tax under 57-02-08 (15, a,4), so the local subdivisions do not gain funding to counter the increased cost. The rest of the taxpayers are left to subsidize these developments. Ag-infrastructure grants are available to help with initial costs in some cases, but those are one-time funds; they do not address ongoing costs, such as extra gravel, blading, and snow removal. SB2177 will help bridge the funding gap caused by these developments.

I support SB2177. I hope the language in Section 3, #7, will be sufficient to direct funding to the township if it is primarily a township road that is impacted. In many cases, it will be a township road that is directly affected by the increased traffic and loads.

Chairman Headland and committee members, thank you for this opportunity to testify today. Please give SB2177 your favorable consideration. This concludes my prepared statement. I will try to answer any questions you might have.



SENATE BILL NO. 2177  
HOUSE FINANCE AND TAX COMMITTEE  
CRAIG HEADLAND, CHAIR  
TESTIMONY IN SUPPORT OF ENGROSSED SENATE BILL 2177

Chairman Headland and members of the House Finance and Taxation Committee. My name is Parrell Grossman, and it is my privilege to be the Legislative Director for the North Dakota Soybean Growers Association. I appear in support of Engrossed Senate Bill 2177.

The Association advocates for more than 8,900 operations that raise soybeans in North Dakota. In 2024, North Dakota soybean farmers planted 6.6 million acres of soybeans, producing over 245 million bushels of soybeans in North Dakota.

The Committee is aware of the agricultural economic impact in North Dakota. NDSU's 2024 North Dakota Agriculture Industry Economic Contribution Analysis reported that the economic contribution to North Dakota is \$41.3 billion, including \$26 billion from direct output and \$15.3 billion from secondary output.

There are many valid, and even compelling, reasons for this legislature to enact this legislation. Earmarking sales and use tax revenues collected and related to animal agriculture facilities, specifically for construction, repairs and equipment, and then dedicating those funds to, or otherwise allowing the counties directly impacted to use these same funds for infrastructure projects near animal agricultural facilities or other county expenses, is a sound fiscal policy and makes good sense.

These animal agriculture facilities bring economic development to the counties in which they are located in by providing new jobs and boosting the local economies in many ways through the increased sales of goods and services. At the same time, these facilities may create significant needs for services including roads, sewer, water, etc. The impact on the counties can be significant in terms of the additional

infrastructure expenses and services they must provide as a direct result of these projects.

It would be difficult to find a more direct and close relationship than the one between these particular sales and use taxes collected and the impacts of these agricultural facilities on the local counties. Earmarking and using these taxes to assist in funding for the local infrastructure purposes and for the benefit of these rural areas and citizens is necessary, fair and equitable.

With agriculture as our number two economic contributor in this state, we should continue to attract these animal agriculture facilities and reciprocate by recognizing this symbiotic relationship, and continuing to significantly invest in North Dakota agriculture.

The Association supports the amendments in Engrossed Senate Bill No, 2177.

For the reasons stated, the Association respectfully asks the House Finance and Taxation Committee to give Engrossed Senate Bill 2177 a “Do Pass” recommendation.

Thank you for your consideration and I will try to answer any questions.



# 2025 HOUSE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Room JW327E, State Capitol

SB 2177  
3/12/2025

Relating to an animal agriculture facility infrastructure fund; to amend and reenact subsection 9 of section 11-23-02 and section 57-39.2-26 of the North Dakota Century Code, relating to county budget limits and the allocation of sales tax revenue; to provide a continuing appropriation; and to provide an expiration date.

10:54 a.m. Chairman Headland opened the meeting.

Members Present: Chairman Headland, Vice Chairman Hagert, Representatives Anderson, Dockter, Dressler, Foss, Grueneich, Ista, Motschenbacher, Nehring, Olson, Steiner, Toman  
Members Absent: Representative Porter

### Discussion Topics:

- Committee Action

10:54 a.m. Representative Hagert proposed an amendment to replace five-hundred thousand on page three line four with three-hundred thousand, testimony #41042.

10:55 a.m. Representative Hagert moved to adopt amendment LC#25.0947.03001.

10:55 a.m. Representative J. Olson seconded the motion.

10:56 a.m. Voice vote - motion passed.

10:56 a.m. Representative Hagert moved a Do Pass as Amended.

10:56 a.m. Representative J. Olson seconded the motion.

Representatives	Vote
Representative Craig Headland	Y
Representative Jared Hagert	Y
Representative Dick Anderson	Y
Representative Jason Dockter	Y
Representative Ty Dressler	Y
Representative Jim Grueneich	Y
Representative Mike Motschenbacher	Y
Representative Dennis Nehring	N
Representative Jeremy Olson	Y
Representative Todd Porter	AB
Representative Vicky Steiner	N
Representative Nathan Toman	N

Representative Austin Foss	Y
Representative Zachary Ista	Y

10:57 a.m. Motion passed 10-3-1.

10:57 a.m. Representative D. Anderson will carry the bill.

10:57 a.m. Chairman Headland closed the meeting.

*Janae Pinks, Committee Clerk*

CO  
3/12/25  
1043

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO  
FIRST ENGROSSMENT**

**ENGROSSED SENATE BILL NO. 2177**

Introduced by

Senators Thomas, Conley, Hogue

Representatives Hagert, Schreiber-Beck, Lefor

1 A BILL for an Act to create and enact a new section to chapter 57-39.2 of the North Dakota  
2 Century Code, relating to an animal agriculture facility infrastructure fund; to amend and reenact  
3 subsection 9 of section 11-23-02 and section 57-39.2-26 of the North Dakota Century Code,  
4 relating to county budget limits and the allocation of sales tax revenue; to provide a continuing  
5 appropriation; and to provide an expiration date.

6 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

7 **SECTION 1. AMENDMENT.** Subsection 9 of section 11-23-02 of the North Dakota Century  
8 Code is amended and reenacted as follows:

9 9. The amount of cash reserve for the general fund and each special revenue fund, not  
10 to exceed seventy-five percent of the appropriation for the fund. This subsection does  
11 not apply to the cash reserve for the infrastructure development fund.

12 **SECTION 2. AMENDMENT.** Section 57-39.2-26 of the North Dakota Century Code is  
13 amended and reenacted as follows:

14 **57-39.2-26. Allocation of revenue. (Effective through June 30, 2027)**

15 Except as provided by sections 57-39.2-26.1, 57-39.2-26.2, 57-39.2-26.3, and 57-39.2-26.4,  
16 and section 3 of this Act, all moneys collected and received under this chapter must be paid into  
17 the state treasury and must be credited by the state treasurer to the general fund. Moneys  
18 deposited with the commissioner as security for the payment of tax, penalties, or costs due  
19 must be deposited and accounted for as provided in subsection 3 of section 57-39.2-12.

1       **Allocation of revenue. (Effective after June 30, 2027)** Except as provided by sections  
2       57-39.2-26.1 and, 57-39.2-26.2, and section 3 of this Act, all moneys collected and received  
3       under this chapter must be paid into the state treasury and must be credited by the state  
4       treasurer to the general fund. Moneys deposited with the commissioner as security for the  
5       payment of tax, penalties, or costs due must be deposited and accounted for as provided in  
6       subsection 3 of section 57-39.2-12.

7       **SECTION 3.** A new section to chapter 57-39.2 of the North Dakota Century Code is created  
8       and enacted as follows:

9       **Animal agriculture facility infrastructure fund - State treasurer - Continuing**  
10      **appropriation.**

- 11       1. The animal agriculture facility infrastructure fund is created as a special fund in the  
12       state treasury. The fund consists of all moneys transferred to the fund under  
13       subsection 2. All moneys in the fund are appropriated to the state treasurer on a  
14       continuing basis for the purpose of providing distributions to counties.
- 15       2. Notwithstanding any other provision of law, after the allocations under sections  
16       57-39.2-26.1, 57-39.2-26.2, 57-39.2-26.3, and 57-39.2-26.4, a portion of sales, gross  
17       receipts, and use tax collections equal to the combined total of the amounts certified  
18       under subsection 4, not to exceed five hundred thousand dollars per year, must be  
19       deposited by the state treasurer in the animal agriculture facility infrastructure fund as  
20       needed.
- 21       3. Once per year, the state treasurer shall distribute to each county the amount certified  
22       by the tax commissioner under subsection 4. If the amount certified for a year exceeds  
23       five hundred thousand dollars, the state treasurer shall distribute the funding on a pro  
24       rata basis.
- 25       4. The amount certified by the tax commissioner for each county is the sum of the state  
26       portion of sales, gross receipts, and use tax due under this title on eligible tangible  
27       personal property purchased to construct new or to expand, upgrade, or replace  
28       existing animal agriculture facilities located in the county, including the purchase of  
29       new equipment used in animal agriculture facilities, based on documentation  
30       submitted to the tax commissioner by the facility owner, facility operator, or a  
31       contractor.



- 1       5. Documentation, including any required supporting documentation, must be submitted  
2       in the form and manner prescribed by the tax commissioner. The documentation for  
3       eligible tangible personal property submitted under this section must equal a taxable  
4       value of at least ~~five hundred thousand~~three hundred thousand dollars purchased  
5       during the calendar year and must be submitted by March thirty-first of the subsequent  
6       year. For purposes of this section, "animal agriculture facility" means a building or  
7       structure where an animal is kept, handled, housed, or bred.
- 8       6. Upon receipt of the funding distributed under this section, the county treasurer shall  
9       deposit the funding into an infrastructure development fund. The infrastructure  
10       development fund consists only of the funding distributed under this section and may  
11       be used only for infrastructure projects near animal agriculture facilities located in the  
12       county or for other county expenses. Pursuant to section 11-23-02, the cash reserve in  
13       the county's infrastructure development fund may exceed the limit for the fund.
- 14       7. An organized township within the county may request a portion of the funding from the  
15       county's infrastructure development fund for township road projects near animal  
16       agriculture facilities located in the township, and the county treasurer may distribute  
17       the requested funding to the organized township upon approval by the board of county  
18       commissioners.

19       **SECTION 4. EXPIRATION DATE.** This Act is effective through June 30, 2029, and after that  
20       date is ineffective.

**REPORT OF STANDING COMMITTEE  
ENGROSSED SB 2177**

**Finance and Taxation Committee (Rep. Headland, Chairman)** recommends **AMENDMENTS** ([25.0947.03001](#)) and when so amended, recommends **DO PASS** (10 YEAS, 3 NAYS, 1 ABSENT OR EXCUSED AND NOT VOTING). SB 2177 was placed on the Sixth order on the calendar.

25.0947.03001  
Title.

Prepared by the Legislative Council  
staff for Senator Thomas  
March 11, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

## **PROPOSED AMENDMENTS TO FIRST ENGROSSMENT**

### **ENGROSSED SENATE BILL NO. 2177**

Introduced by

Senators Thomas, Conley, Hogue

Representatives Hagert, Schreiber-Beck, Lefor

1 A BILL for an Act to create and enact a new section to chapter 57-39.2 of the North Dakota  
2 Century Code, relating to an animal agriculture facility infrastructure fund; to amend and reenact  
3 subsection 9 of section 11-23-02 and section 57-39.2-26 of the North Dakota Century Code,  
4 relating to county budget limits and the allocation of sales tax revenue; to provide a continuing  
5 appropriation; and to provide an expiration date.

### **6 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

7 **SECTION 1. AMENDMENT.** Subsection 9 of section 11-23-02 of the North Dakota Century  
8 Code is amended and reenacted as follows:

9 9. The amount of cash reserve for the general fund and each special revenue fund, not  
10 to exceed seventy-five percent of the appropriation for the fund. This subsection does  
11 not apply to the cash reserve for the infrastructure development fund.

12 **SECTION 2. AMENDMENT.** Section 57-39.2-26 of the North Dakota Century Code is  
13 amended and reenacted as follows:

#### **14 57-39.2-26. Allocation of revenue. (Effective through June 30, 2027)**

15 Except as provided by sections 57-39.2-26.1, 57-39.2-26.2, 57-39.2-26.3, and 57-39.2-26.4,  
16 and section 3 of this Act, all moneys collected and received under this chapter must be paid into  
17 the state treasury and must be credited by the state treasurer to the general fund. Moneys  
18 deposited with the commissioner as security for the payment of tax, penalties, or costs due  
19 must be deposited and accounted for as provided in subsection 3 of section 57-39.2-12.

1       **Allocation of revenue. (Effective after June 30, 2027)** Except as provided by sections  
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