

2023 HOUSE AGRICULTURE

HB 1148

2023 HOUSE STANDING COMMITTEE MINUTES

Agriculture Committee Room JW327C, State Capitol

HB 1148
1/20/2023

Relating to an agriculture infrastructure fund; to provide an appropriation; and to provide for a transfer.

Vice Chairman Beltz called to order 10:19 AM

Members present; Chairman Thomas, Vice Chairman Beltz, Representatives Fisher, Headland, Henderson, Kiefert, Olson, Prichard, Schreiber-Beck, Tveit, VanWinkle, Members absent: Representative Christy, Finley-DeVille.

Discussion Topics:

- Infrastructure issues
- Monies available
- Caps by project
- Cost share
- Township road budget
- SD funds, lower caps

In favor:

Representative Paul Thomas, District 6, primary bill sponsor (no written testimony)
Doug Goehring, Commissioner, ND Agriculture Committee, #14657
Phil Murphy, ND Soybean Growers Association (“NDSGA”), #13858
Andrew Mauch, ND Corn Growers Association, #14745
Dana Larsen, Ward County Engineer, #14719
Jason Benson, Cass County Engineer, #13670
Josh Mardikian, Vice President Merchandising and Marketing, Harvestone, LPC and member of the North Dakota Ethanol Producers Association (“NDEPA”), #14591
Elizabeth Nesheim, ND Livestock Association (no written testimony)
Dana Hager, Economic Development Association of North Dakota, #14665, #17454
Larry Syverson, Chairman of the Board of Supervisors for Roseville Township in Traill County, #14749
Dan Wogsland, Executive Director, ND Grain Growers Association, #14705
Matt Gardner, ND League of Cities (no written testimony)
Matt Perdue, ND Farmers Union, #14736
Harrison Weber, RRVSAGA, Red River Valley Sugar Beet Growers Association (no written testimony)

Opposed:

Sam Wagner, Dakota Resource Council, #14627

Additional written testimony:

House Agriculture Committee

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Daryl Dukart, Dunn Center rancher, #13816

Vice Chairman Beltz adjourned the meeting 11:02 AM

Diane Lillis, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Agriculture Committee
Room JW327C, State Capitol

HB 1148
2/2/2023

Relating to an agriculture infrastructure fund; to provide an appropriation; and to provide for a transfer.

Chairman Thomas called to order 11:21 AM

Members present; Chairman Thomas, Vice Chairman Beltz, Representatives Christy, Finley-DeVille, Fisher, Headland, Henderson, Kiefert, Olson, Prichard, Schreiber-Beck, Tveit, VanWinkle,

Discussion Topics:

- Application process

Representative Headland moved a do pass and rerefer to appropriations.
Representative Schreiber-Beck seconded.

Roll call vote:

Representatives	Vote
Representative Paul J. Thomas	Y
Representative Mike Beltz	Y
Representative Josh Christy	Y
Representative Lisa Finley-DeVille	Y
Representative Jay Fisher	Y
Representative Craig Headland	Y
Representative Donna Henderson	AB
Representative Dwight Kiefert	Y
Representative SuAnn Olson	Y
Representative Brandon Prichard	Y
Representative Cynthia Schreiber-Beck	Y
Representative Bill Tveit	Y
Representative Lori VanWinkle	Y

Motion passed 12-0-1

Representative Christy will carry the bill

Chairman Thomas adjourned the meeting 11:25 AM

Diane Lillis, Committee Clerk

REPORT OF STANDING COMMITTEE

HB 1148: Agriculture Committee (Rep. Thomas, Chairman) recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1148 was rereferred to the **Appropriations Committee**.

2023 HOUSE APPROPRIATIONS

HB 1148

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Brynhild Haugland Room, State Capitol

HB 1148
2/14/2023

Relating to an agriculture infrastructure fund; to provide an appropriation; and to provide for a transfer
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4:42 PM Chairman Vigesaa- Called the meeting to order and roll call was taken-

Members present; Chairman Vigesaa, Representative Kempenich, Representative B. Anderson, Representative Brandenburg, Representative Hanson, Representative Kreidt, Representative Martinson, Representative Mitskog, Representative Meier, Representative Mock, Representative Monson, Representative Nathe, Representative J. Nelson, Representative O'Brien, Representative Pyle, Representative Richter, Representative Sanford, Representative Schatz, Representative Schobinger, Representative Strinden, Representative G. Stemen and Representative Swiontek.

Members not Present- Representative Bellew

Discussion Topics:

- Agriculture Infrastructure Fund
- Cost Sharing with the State & Local Political Subs
- Road, Rail and Bridge Improvements
- Water Sewer & Electrics Improvements
- Money Amount Per Project
- Value Added Projects

Representative Thomas- Introduces the bill and oral testimony in favor. Also offers some language for an amendment by add more than 15 million to the bill or change the language that the second buckets wouldn't be 5 million but up to 5 million, lower the amount of maximum grant from 2.5 million to 1.25 million per project and reduce the amount for the grants for individuals from 500 thousand to 350 thousand.

Chairman Vigesaa- Closes the meeting for HB 1148 @ 5:00 PM

Risa Berube, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Brynhild Haugland Room, State Capitol

HB 1148
2/16/2023

Relating to an agriculture infrastructure fund; to provide an appropriation; and to provide for a transfer
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10:30 AM Chairman Vigesaa- Called the meeting to order and roll was taken-

All Members Present; Chairman Vigesaa, Representative Kempenich, Representative B. Anderson, Representative Bellew, Representative Brandenburg, Representative Hanson, Representative Kreidt, Representative Martinson, Representative Mitskog, Representative Meier, Representative Mock, Representative Monson, Representative Nathe, Representative J. Nelson, Representative O'Brien, Representative Pyle, Representative Richter, Representative Sanford, Representative Schatz, Representative Schobinger, Representative Strinden, Representative G. Stemen and Representative Swiontek.

Discussion Topics:

- Amendment
- Electrical Improvements
- Water and Sewer Improvements
- Roads and Bridge Improvements

Chairman Vigesaa Talks about amendment 23.0510.03001 (Testimony #21004)

10:41 AM Chairman Vigesaa- Closes the meeting for HB 1148

Risa Berube, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Brynhild Haugland Room, State Capitol

HB 1148
2/21/2023

Relating to an agriculture infrastructure fund; to provide an appropriation; and to provide for a transfer
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8:46 AM Chairman Vigesaa – Called the meeting to order and roll was taken-

All Members Present; Chairman Vigesaa, Representative Kempenich, Representative B. Anderson, Representative Bellew, Representative Brandenburg, Representative Hanson, Representative Kreidt, Representative Martinson, Representative Mitskog, Representative Meier, Representative Mock, Representative Monson, Representative Nathe, Representative J. Nelson, Representative O'Brien, Representative Pyle, Representative Richter, Representative Sanford, Representative Schatz, Representative Schobinger, Representative Strinden, Representative G. Stemen and Representative Swiontek.

Discussion Topics:

- Added to HB 1276

Representative Brandenburg Move for a Do Not Pass

Representative Monson Seconds the motion.

Committee discussion- Roll call vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Larry Bellew	Y
Representative Mike Brandenburg	Y
Representative Karla Rose Hanson	Y
Representative Gary Kreidt	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative Corey Mock	Y
Representative David Monson	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy Pyle	Y
Representative David Richter	Y

House Appropriations Committee

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Feb. 21st 2023

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Representative Mark Sanford	Y
Representative Mike Schatz	Y
Representative Randy A. Schobinger	Y
Representative Greg Stemen	Y
Representative Michelle Strinden	Y
Representative Steve Swiontek	Y

Motion Carries 23-0-0 Representative Pyle will carry the bill.

8:48 AM Chairman Vigesaa- Closes the meeting for HB 1148

Risa Berube, Committee Clerk

REPORT OF STANDING COMMITTEE

HB 1148: Appropriations Committee (Rep. Vigesaa, Chairman) recommends **DO NOT PASS** (23 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1148 was placed on the Eleventh order on the calendar.

TESTIMONY

HB 1148

Testimony Prepared for the
House Agriculture Committee
January 16, 2023
By: Jason Benson, Cass County Engineer



RE: Support for HB 1148 – Relating to county highways and bridges funding

Chairman Thomas and House Agriculture Committee members, thank you for the opportunity to provide testimony on HB 1148. I am Jason Benson, the Cass County Engineer, and I also serve on the legislative committee for the ND Association of County Engineers. I am here to support the bill as proposed.

In 2019 the North Dakota Legislature requested a study of the transportation infrastructure needs of all counties, townships, and tribes in the state. The Upper Great Plains Transportation Institute (UGPTI) at the North Dakota State University recently completed this 2022 Highway and Bridge Needs Study. In Cass County alone the estimated cost for county and township unpaved roads, paved highways, and bridges for 2022-2041 is \$514 million. This includes \$289 million for county gravel roads, \$157 million for county paved roads, and \$68 million for county bridges.

These significant long-term infrastructure needs are influenced by the agricultural industry across North Dakota, especially in Cass County. Higher crop yields require more trucks to haul across our county roads and bridges. Using 2017 data, ND produced 6.5 million tons of sugar beets, 7 million tons of hay, 1.6 million tons of silage, and 1.1 billion bushels of corn/soybeans/wheat (USDA 2017 data) for a total crop production that gets hauled from the field, to bins, and on to the elevator of 56 million tons of product. This requires over 1.4 million truckloads just to get the crop off the field. In addition, there are hundreds of thousands of other truckloads hauling the seed, fertilizer, equipment, and other agricultural items to keep our farms producing high quality crops.

This heavy agricultural traffic taxes the durability and safety of these local roads, which must be maintained to ensure continued safety as well as making sure goods get to market. These roads were designed and built for the trucks and farm equipment of the 1960's, they were not built in a way that reflects today's traffic and use. These needs are, of course, in addition to the needs the NDDOT faces for investment on the state highway system.

This level of agricultural production also increases the demand for grain and ag product transportation within the state to additional destinations, especially elevators, processors, ethanol plants, and rail loading facilities. Most often, these storage and processing facilities are located along county roads. Cass County has an ethanol plant located along a county highway. This plant requires 150-250 truckloads a day to haul in about 54 million bushels of corn annually. This plant produces 150 million gallons of ethanol and about 450,000 tons of dried distiller's grain each year. When the ethanol plant was constructed, the County took over the adjacent township road and reconstructed and paved the road at a cost of over \$2.5 million. Fortunately, at that time there was additional state funding to assist in paying for this road.

In 2022 there was a groundbreaking ceremony for a soybean processing plant along another Cass County highway. This \$400 million plant will process over 82 million bushels of soybeans annually, requiring between 300-400 truckloads per day, and even more during harvest season. Cass County is working with the township and North Dakota Soybean Processors (NDSP) to take over control of the township road and pave it. This is needed to have a high quality, concrete road to handle the significant

truck traffic. This project will cost nearly \$4 million with roughly \$1 million being paid for by NDSP, and \$3 million split between Cass County funding and NDDOT funding. This improved road infrastructure is needed to provide year-round access to this significant agriculture commodities processing facility.

Cass County and Counties across North Dakota need long term funding solutions to better plan and prioritize future road projects. Increases in state funding through this bill are critical to provide the efficient highway and bridge network to access agriculture rail and processing facilities. Without this additional funding, it will be difficult for counties to pay for the needed improvements of our highways and bridges to access these new facilities.

Chairman Thomas and House Agriculture Committee members, thank you for the opportunity to provide testimony and I urge you to support HB 1148.

Testimony in Support of HB 1148,

House agriculture Committee,

I see this as an great opportunity for new private business startup across our state. As a support of local marketing and the processing of raised crops and livestock for food or feed consumption which is very important to the future of our state's agriculture growth.

Please support the appropriation in the dollars our state can afford.

Daryl Dukart

Dunn Center, North Dakota

Retired rancher

Testimony for 1148 – 68th Session - Agricultural Infrastructure Fund

Chairman Thomas and committee, my name is Phil Murphy representing the North Dakota Soybean Growers Association. The NDSGA stands in support of the Agriculture Infrastructure Fund which is modeled after South Dakota's existing Transportation Economic Development Grant program. It would help local governments prepare for and deal with the impacts that new or existing value-added agricultural facilities may impose. And those costs can be imposing. For example, on a large project such as the \$352 million dollar Green Bison soybean crush plant just east of Jamestown in Spiritwood, there are road costs of several other millions to support the anticipated 185 loaded trucks entering and exiting daily. One 10 mile stretch of Stutsman county road 62 has construction costs of \$25.5 million with engineering, environmental and right of way adding another \$10 million. Certainly, \$2.5 million would be helpful to that political subdivision.

As the sponsor indicated, this bill could also be used in smaller projects for individuals up to \$500,000 to upgrade or build new facilities for value added projects such as an animal feeding or processing operation. Without taking too much time in order to honor the many waiting to testify on this bill, I would end by saying that our value-added Ag economy is finally seeing exciting growth and welcome any help this committee would extend by furthering the passage of 1148. Thank you for your consideration.



Testimony of Josh Mardikian

Vice President Merchandising and Marketing, Harvestone, LCP

North Dakota Ethanol Producers Association

In Support of HB 1148

January 20, 2023

Chairman Thomas and members of the House Agriculture Committee,

I am Josh Mardikian, vice president of merchandising and marketing for Harvestone, LCP. Harvestone, LCP is a member of the North Dakota Ethanol Producers Association (NDEPA), which represents North Dakota's six ethanol plants, industry stakeholders and associated businesses. On behalf of NDEPA, I am here today to voice support for House Bill 1148, which creates a \$15 million agriculture infrastructure fund.

Thanks to North Dakota's innovative private sector and supportive state government, North Dakota's ethanol industry is a prime example of value-added agriculture. Our industry converts up to 60 percent 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. 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.

Rural infrastructure, including roads and bridges, water and sewer lines, and electrical and gas supplies, is essential to securing feedstock (corn) as well as advancing numerous future opportunities, such as sustainable aviation fuel (SAF), for the ethanol industry. Our plants are continually innovating and exploring additional uses for ethanol. The funding in HB 1148 will be instrumental in moving forward with capital improvements to take advantage of opportunities, thus creating additional sustainability for the industry.

We thank you for your continued support of the state's ethanol and agriculture industries and urge your favorable consideration of HB 1148. Thank you for your time, I stand for any questions.

Testimony HB1302

Sam Wagner on behalf of
Dakota Resource Council
1720 Burnt Boat Dr. Ste 104
Bismarck ND 58503
Testimony in Opposition for HB 1148

To the Honorable Chairman of the House Ag Committee and to the representatives of the house. DRC would like to submit the following comments on HB1148.

This bill is well intentioned and we have supported bills like this in the past to increase value added agriculture, but in the light of recent projects such as the North Dakota Soy Processing (NDSP) Soy Crushing facility in Casselton and Fufeng Wet Corn Milling Facility in Grand Forks we have some concerns about the state just giving money away to companies that can more than afford to pay for their own infrastructure.

I would like to give you my own account on what happened with NDSP in Casselton North Dakota because I live there. When the company first announced they would be building a facility outside Casselton, it was promised that they would pay us 1.3 million dollars a year in revenue in the form of property taxes, initially they asked for a PILOT (Payment in Lieu of Taxes) program of 15 years with no taxes. In the end they agreed to pay Casselton 250k a year and an extra 100k a year to the city for 15 years in exchange for not annexing them to the city where they would be forced to pay taxes. The result was our city lost 800 thousand dollars of potential tax revenue a year to a company that was expected to make 84 million dollars in net profit for the first year alone. According to the Grand Forks City meeting minutes, Grand Forks gave Fufeng a 90% PILOT agreement for 10 years and a 75% PILOT agreement for years 11-20. If you're doing the math those respective cities are set to lose out on way more than 15 million dollars in tax revenue alone that could have gone to infrastructure projects. NDSP has also cut deals with Cass County Rural Water to finance their water projects and the Cass County officials to have their roads renovated. And they have quietly got an exemption to pay state taxes for their facility.

We'd also like to remind you that these are foreign corporations that will likely siphon money out of our state, rather than investing in North Dakota.

The question is should the state also be providing similar incentives that are already being given out by city and county governments? If companies like NDSP and Fufeng are getting similar incentives from local governments, does the state government really need to do this because what will likely happen if this bill passes is companies will get local tax incentives and state tax incentives.

If ND wants to provide tax incentives for value added agriculture projects wouldn't it make more sense for the state government to reimburse local governments for tax incentives for these

projects, rather than allowing companies to access both local and state tax incentives. In addition, local governments need the tax revenue more than the state government, so shifting the financial burden would make more sense.

We would urge you to recommend a DO NOT PASS vote on this legislation unless amendments are made to address ways for the state to reimburse local governments for lost tax revenue.

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

Chairman Thomas and members of the House Agriculture Committee, I am Agriculture Commissioner Doug Goehring. Thank you for the opportunity to appear before the committee. I am here today in support of House Bill 1148 which would create an agriculture infrastructure fund program within the Department of Agriculture to assist in the development of new and/or existing value-added agriculture businesses.

I believe that this program would complement economic development and would add value to our rural communities by supporting crop and livestock production. It would address any concerns that may exist with infrastructure issues in some of our townships and counties.

Once again thank you for letting me address the committee today, I would like to stress that this program is important and would be beneficial to the agricultural industry. I urge a do pass on HB 1148. I would be happy to answer any questions.



PO Box 1091 • Bismarck, ND 58502
701-355-4458 • www.ednd.org

**Testimony of Connie Ova
Economic Development Association of North Dakota
In Support of HB 1148
January 20, 2023**

Chair Thomas and members of the House Agriculture Committee:

I am Connie Ova, CEO, Jamestown/Stutsman Development Corporation and member of the Economic Development Association of North Dakota (EDND). I want to express our support for HB 1148 relating to appropriation for agriculture infrastructure grants to support new or existing value-added agriculture businesses.

EDND represents more than 80 state economic development organizations on the front line of economic development efforts throughout North Dakota. The organization's primary purpose is to promote the creation of new wealth throughout North Dakota to develop more vibrant and efficient communities and improve quality of life.

EDND believes smart, efficient infrastructure that gives North Dakota the capacity to grow is critically important to the health and vitality of North Dakota. Our members support robust funding options to support local infrastructure projects and the state growth from these projects.

The agriculture infrastructure grants will help develop and enhance North Dakota businesses, farmers and communities through the support of critical and timely infrastructure development. This funding will create opportunities and upgrades that will increase the supply of North Dakota agriculture products, enhance the supply chain resilience, and help grow and sustain North Dakota's heritage industry – agriculture. The long-term success of our state depends on new markets and the sustainability of our rural communities.

Thank you for taking the time to discuss HB 1148 and infrastructure support for our communities. EDND and our member communities urge you to support much-needed funding for our agriculture businesses. Thank you.



**North Dakota Grain Growers Association
Testimony in Support of
HB 1148
House Agriculture Committee
January 20, 2023**

Chairman Thomas, members of the House Agriculture Committee, for the record my name is Dan Wogsland, Executive Director of the North Dakota Grain Growers Association (NDGGA). NDGGA, through our contracts with the North Dakota Wheat Commission and the North Dakota Barley Council, engages in domestic policy issues on the state and federal level on behalf of North Dakota wheat and barley farmers. I am providing testimony for you today on behalf of NDGGA in support of HB 1148.

HB 1148, as you are all aware, creates the agriculture infrastructure fund which allows the North Dakota Agriculture Commissioner the ability to administer grants for infrastructure improvements. These grants would be essential for the development or enhancement of new or existing value-added agriculture businesses as well as to organizations for capital improvements. These grants dollars could be used for road and bridge improvements, water and sewer line improvements, as well as electrical and gas supply improvements.

The agriculture fund as proposed in HB 1148 would be a vital tool for the promotion and expansion of new and emerging agri-businesses which would be vital to North Dakota agriculture's value-added expansion.

Therefore the North Dakota Grain Growers Association respectfully requests the House Agriculture Committee give HB 1148 a Do Pass recommendation and would urge the full House concur.

"You Raise; We Represent"

Phone: 701-282-9361 | Fax: 701-404-5187 | 1002 Main Ave W. #3 West Fargo, N.D. 58078



Ward County Highway Department

900 13th St. SE • P.O. Box 5005 • Minot, ND 58702-5005 • (701) 838-2810 • Fax (701) 838-3801

Testimony Regarding HB 1148

House Agriculture Committee

January 20, 2023

Prepared by: Dana G. Larsen, PE, Ward County Engineer

RE: Support for HB 1148 – Relating to road and bridge funding.

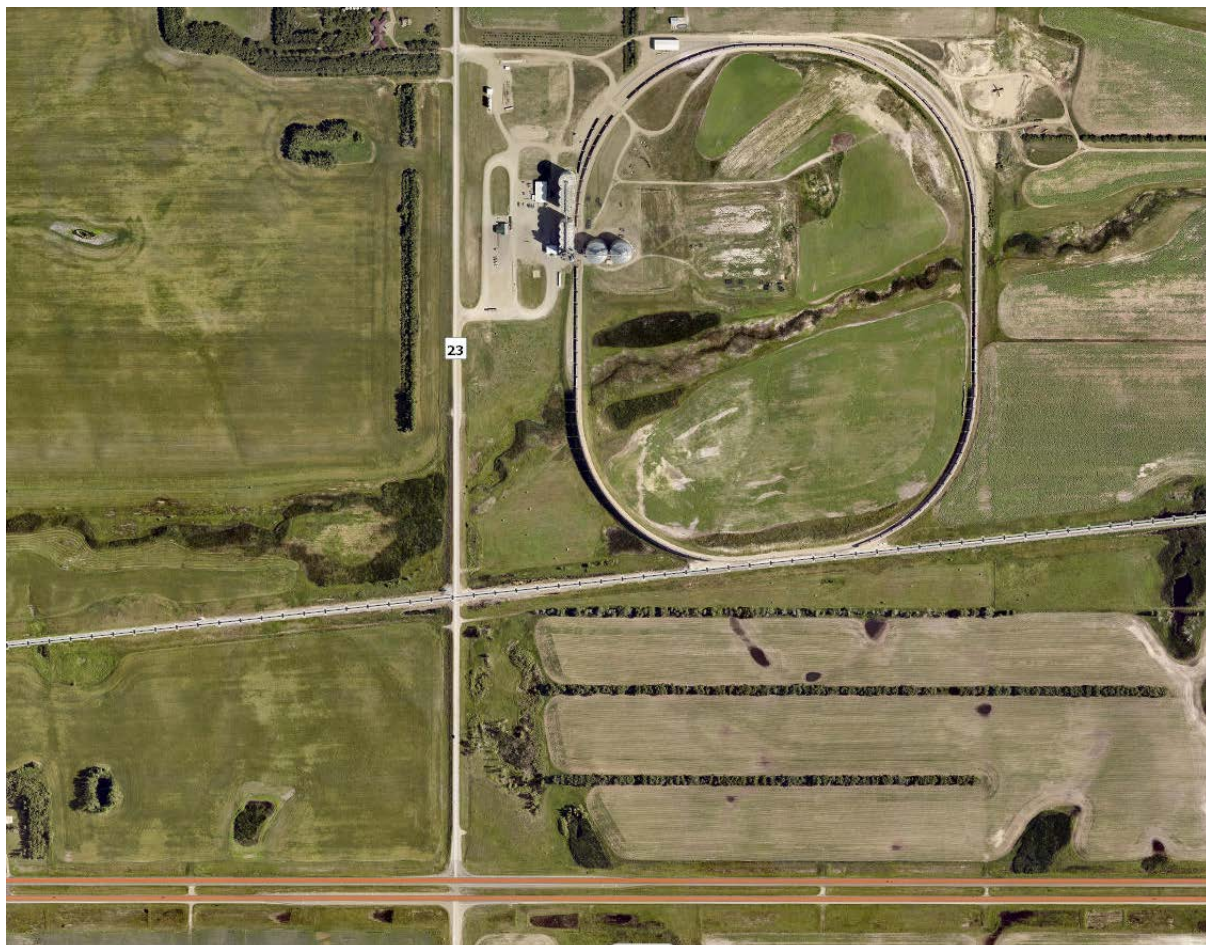
Chairman Thomas and House Agriculture Committee members, my name is Dana Larsen and I serve as the County Engineer for Ward County. I appreciate the opportunity to provide testimony today. I want to express my support for this bill, which will provide grant opportunities to political subdivisions for infrastructure improvements necessary for the development or enhancement of a new or existing value-added agriculture businesses.

In the 2022 Highway and Bridge Needs Study, Upper Great Plains Transportation Institute (UGPTI) reports there is a \$444 million need for funding between 2022-2041 in Ward County. This includes \$226 million for county gravel roads, \$204 million for county paved roads, and \$15 million for county bridges. These cost do not include improvements, such as upgrading a gravel road to a paved road or funding for a major structural improvement project.

Our county and township road systems were originally designed to support truck and farm equipment from the 1960s, however the size of the equipment and growth of the traffic have outpaced our road system. Ward County has worked hard to make improvements to our county road system. We have 310 miles of pavement and 400 miles of gravel on our county system. About 15 of those paved miles have been designed or upgraded to meet a year around, 105,500 pound by legal weight load. Which means, we do not put spring load restrictions on these section of road and they serve as the final connection off of the US Highway. The cost to design or improve these segments is much more expensive than to improve or maintain a

traditional county road. We need to stabilize the subgrade soils, use thicker sections of aggregate base and a more durable pavement surface to not only support the heavier load in the spring time, but also the higher traffic volumes. In 2012, we converted five miles of township road to a paved county road, without spring load restrictions. The cost was around \$1 million per mile and I would estimate the cost would be close to double today. Please note, the cost to improve our road systems to meet the higher standard is not factored into the need study. The cost of making these improvements would be on top of our \$444 million need.

We have had to make improvements to a number of county roads to better serve agriculture facilities around the county. For example, when Dakota Midland Grain wanted to construct a new circle track facility, located 8 miles west of Minot, and just north of US Highway 2 on Ward County 23. The county had previously upgraded the county road from gravel to pavement just a few years prior. The road met a 105,500 / 8-ton seasonal load restriction design, prior to the facility being built.



After the elevator was constructed, we removed the seasonal spring restriction on the road section between the elevator and US Highway 2. Within 5 years of the opening of the facility, we needed to place a structural overlay on the roadway due to the asphalt braking up due to truck traffic on the roadway. We were able to address this challenge and continue to provide quality access to the elevator. If a value added facility, would have built in a similar location, but the road would have been a township road, rather than a County Major Collector route, the cost to improve the access to meet the need would have been at least \$2 million, including, intersection upgrades to the US Highway, Railroad Crossing improvements, and construction of a road capable of meeting the year round truck traffic, that a value added facility creates. This would have been a heavy lift for Ward County, and I would guess, for some of my more rural neighboring counties, it may have been even more of a struggle. Without this funding and grant opportunity, it would be challenging for counties to pay for the road improvements needed, which makes the development of a value-added agriculture facility possible.

In general, most trucks do not start and end their route on a State or US Highway. The majority of all truck traffic either starts or ends on a local road. HB 1148 will provide assistance to local governments, allowing them to improve a roadway to meet the needs of value-added agriculture facilities, ensuring the last mile of road is not the final obstacle in a nationally connected road network, serving a global market.

Chairman and committee members, I want to thank you for your time today, and I would ask for your support on HB 1148



Contact:

Matt Perdue, Lobbyist

mperdue@ndfu.org | 701.641.3303

**Testimony of
Matt Perdue
North Dakota Farmers Union
Before the
House Agriculture Committee
January 20, 2023**

Chairman Thomas and members of the committee,

Thank you for the opportunity to testify on House Bill No. 1148. My name is Matt Perdue, and I am testifying on behalf of North Dakota Farmer Union's (NDFU) members. NDFU supports HB 1148, because it supports development of new value-added opportunities for family farmers and ranchers.

HB 1148 establishes a new Agriculture Infrastructure Fund. This fund will address external costs associated with livestock and commodity processing facilities. These facilities are often accompanied by increased truck traffic, requiring road and bridge upgrades and improvements. HB 1148 provides political subdivisions up to \$2.5 million or 80% of road improvement costs to support that development. New value-added projects often also face high costs to access natural gas, three-phase power, and water and sewer infrastructure. HB 1148 provides projects up to \$500,000 to address those "last mile" infrastructure needs.

This bill also helps promote local acceptance of livestock and agriculture processing facilities. The external costs of these projects are often a valid concern for local residents. HB 1148 helps mitigate those concerns, supporting broader efforts to build local support for new projects.

HB 1148 is modeled after South Dakota's Agribusiness Access Grant program. It is a proven model that will support continued growth in value-added agriculture in our state.

NDFU encourages a "Do Pass" recommendation on HB 1148. Thank you for your consideration. I will stand for any questions.



Testimony of Andrew Mauch

In support of HB 1148

January 20, 2023

Chairman Thomas and members of the House Agriculture Committee,

I am Andrew Mauch. I farm in the southeastern part of the state near Hankinson, ND. I am also the president of the North Dakota Corn Growers Association (NDCGA), which serves as the voice, and represents more than 13,000 corn growers across the state. NDCGA is here to voice support of House Bill 1148, the creation of an agriculture infrastructure fund.

Last month, Governor Burgum joined NDSU at the State Capitol to unveil a first of its kind comprehensive study of the economic contribution of agriculture in the state. For the year 2020, agriculture contributed nearly \$31 billion to the economy and more than 110,000 jobs and represented nearly 25 percent of the state economy.

Agriculture's economic success goes hand in hand with good, reliable, public infrastructure. Up to 60 percent of North Dakota's corn gets delivered to ethanol plants around the state. As both industries grow across the state access to funds such as the agriculture infrastructure fund will be essential to maintaining reliable access to markets.

Economic development from value-added agriculture project in a community is typically a tremendous advantage, bringing increased property tax revenues and the creation of jobs that is incredibly advantageous, but often times those benefits aren't immediate. Local governments are in a position whereby they need to front the costs of the basic infrastructure and that can be burdensome long before the benefits of the fully realized project begin to

present economic development projects. This legislation and corresponding funding, the agriculture infrastructure fund, can be the missing link that communities need, to relieve them during the process before it comes to full fruition.

The North Dakota Corn Growers Association mission statement is “growing a healthy, profitable business climate for northern corn,” and this state investment would help the state’s corn growers towards their economic success. Thank you for your time and NDCGA asks for a ‘Do Pass’ recommendation on this vital funding to help local governments and value-added agriculture in House Bill 1148.

Support of HB 1148

House Agriculture Committee

January 20, 2023

Good morning, Chairman Thomas and Committee members.

I am Larry Syverson from Mayville, I am the Chairman of the Board of Supervisors for Roseville Township in Traill County, and I am also the Executive Secretary of the North Dakota Township Officers Association, and I grow soybeans on my farm in Traill County. NDTOA represents nearly 6,000 Township Officers that serve in more than 1,100 dues paying member townships.

The North Dakota Township Officers Association is definitely in support of HB 1148 and any other proposal that would bring a means to provide road access to these massive developments. It is easy to see the benefit a new value-added industry such as a soybean crushing plant will be to producers in a large diameter circle. Improved markets will be a long-term benefit to the counties and townships as more profitable production will increase land value.

Still a lot of cost will fall on the local area, and in the case of a township, and probably even a county, most of the benefited acres will lay outside of the taxing district. Taxing abilities are limited and barely able to provide for normal necessary operations in the townships and counties. Long-term benefit doesn't pay immediate costs.

HB 1148 would provide for much of that immediate cost as the local township or county bears the burden of providing gain for the larger area.

Chairman Thomas and Committee members, the membership of the North Dakota Township Officers Association requests your favorable recommendation for HB 1148.

Thank you. I will try to answer any questions you may have.



PO Box 1091 • Bismarck, ND 58502
701-355-4458 • www.ednd.org

MEMO

TO: ~~Senate~~ ^{House} Agriculture Committee
DATE: Jan. 23, 2023
RE: HB 1148 Agriculture infrastructure

Attached is information regarding the minimum cost to facilitate efficient use of Hwy 62 South from Hwy 46 North to Spiritwood soy processing plant. The project estimate was provided by Connie Ova, executive director of the Jamestown Stutsman Development Corp.

Please let me know if you need additional information.

Sincerely,

Dana Hager, Executive Director
Economic Development Association of North Dakota (EDND)
Phone: 701-509-3896
Email: ednd@ednd.org

Cost Estimate

Project Number:	Stutsman Hwy 62	Bid Opening:	1/26/2024
PCN:	1	Estimate Scope:	Preliminary
Length	10.04	Tied Project(s):	
City:			
County:	Stutsman	Prepared By:	Daren.Peterka
Work Description:	Enter RIMS work description		

Location: Enter RIMS project location

Spec	Code	Item Description	Unit	Quantity	Unit Cost	Total Cost
103	0100	CONTRACT BOND	L SUM	1	\$50,000.00	\$50,000.00
202	0174	REMOVAL OF PIPE ALL TYPES AND SIZES	LF	1800	\$31.00	\$55,800.00
203	0101	COMMON EXCAVATION-TYPE A	CY	294507	\$6.75	\$1,987,922.25
203	0109	TOPSOIL	CY	100132	\$4.60	\$460,607.20
203	0121	TOPSOIL-WETLAND	CY	17670	\$11.30	\$199,671.00
203	0138	COMMON EXCAVATION-SUBCUT	CY	41667	\$21.00	\$875,007.00
203	0140	BORROW-EXCAVATION	CY	685131	\$9.00	\$6,166,179.00
216	0100	WATER	M GAL	9524	\$31.50	\$300,006.00
230	0165	SUBGRADE PREPARATION-TYPE A-12IN	STA	530	\$1,850.00	\$980,500.00
251	0200	SEEDING CLASS II	ACRE	120	\$500.00	\$60,000.00
251	1000	WETLAND SEED	ACRE	21	\$750.00	\$15,750.00
251	2000	TEMPORARY COVER CROP	ACRE	141	\$125.00	\$17,625.00
256	0200	RIPRAP GRADE II	CY	32	\$75.00	\$2,400.00
260	0200	SILT FENCE SUPPORTED	LF	10602	\$2.50	\$26,505.00
260	0201	REMOVE SILT FENCE SUPPORTED	LF	10602	\$0.55	\$5,831.10
261	0112	FIBER ROLLS 12IN	LF	24096	\$0.40	\$9,638.40
261	0113	REMOVE FIBER ROLLS 12IN	LF	24096	\$0.40	\$9,638.40
302	0120	AGGREGATE BASE COURSE CL 5	TON	180925	\$24.00	\$4,342,200.00
401	0050	TACK COAT	GAL	742157	\$3.50	\$2,597,549.50
430	0043	SUPERPAVE FAA 43	TON	53510	\$60.00	\$3,210,600.00
430	1000	CORED SAMPLE	EA	300	\$45.00	\$13,500.00
430	5803	PG 58S-28 ASPHALT CEMENT	TON	3478	\$980.00	\$3,408,440.00
702	0100	MOBILIZATION	L SUM	1	\$95,000.00	\$95,000.00
704	0100	FLAGGING	MHR	1200	\$45.00	\$54,000.00
704	1000	TRAFFIC CONTROL SIGNS	UNIT	2500	\$2.25	\$5,625.00
704	1048	PORTABLE RUMBLE STRIPS	EA	4	\$1,025.00	\$4,100.00
704	1052	TYPE III BARRICADE	EA	16	\$125.00	\$2,000.00
704	1067	TUBULAR MARKERS	EA	200	\$7.50	\$1,500.00
704	1080	STACKABLE VERTICAL PANELS	EA	200	\$28.00	\$5,600.00
706	0550	BITUMINOUS LABORATORY	EA	1	\$5,000.00	\$5,000.00
706	0600	CONTRACTOR'S LABORATORY	EA	1	\$5,000.00	\$5,000.00
709	0151	GEOSYNTHETIC MATERIAL TYPE R1	SY	15000	\$2.25	\$33,750.00
714	4100	PIPE CONDUIT 18IN	LF	720	\$75.00	\$54,000.00
714	4105	PIPE CONDUIT 24IN	LF	840	\$225.00	\$189,000.00

23.0510.03001
Title.

Prepared by the Legislative Council staff for
Representative Thomas
February 14, 2023

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1148

Page 1, line 16, replace "two" with "one"

Page 1, line 16, replace "five" with "two"

Page 1, line 16, after "hundred" insert "fifty"

Page 1, line 18, replace "five" with "three"

Page 1, line 18, after "hundred" insert "fifty"

Page 1, line 20, after the first "improvements" insert ", railroad improvements"

Page 2, line 12, replace "\$10,000,000" with "\$5,000,000"

Page 2, line 12, remove "political"

Page 2, line 13, replace "subdivisions" with "individuals or organizations"

Page 2, line 13, replace "individuals or organizations" with "political subdivisions"

Renumber accordingly