

**Greater North Dakota Chamber
HB 1380
House Appropriations Committee
February 2, 2021**

Mr. Chairman and members of the House Appropriations Committee, my name is Arik Spencer, President and CEO of the Greater North Dakota Chamber. GNDC is North Dakota's largest statewide business advocacy organization. We are also affiliated with the US Chamber of Commerce and the National Association of Manufacturers and stand in support of House Bill 1380.

The Greater North Dakota Chamber (GNDC) believes HB 1380 to be one of the most important Legacy Fund bills of the session. For years, lawmakers and citizens have debated what the purpose of the Legacy Fund should be and how its earnings should be used. While HB 1380 is silent on the long-term purpose of the fund, it creates in statute a plan for the earnings that can be modified over time.

Beginning in the 23-25 biennium, HB 1380 directs the Legacy Fund earnings to a number of uses that demonstrate the value of the fund to North Dakotans. While GNDC supports many of the streams, specifically those related to infrastructure, economic diversification, and workforce development, other streams we are more skeptical of. That being said, we recognize that perfect is the enemy of good and urge you adopt the general framework created by HB 1380.

GNDC offers several suggestions to enhance HB 1380. First some of the Legacy Fund streams are very specific. While these no doubt represent "needs", GNDC would prefer to see more general or high-level streams that interest groups can compete for each session. Again, we believe these should focus on infrastructure development, workforce development, and economic diversification and support one-time projects. These high-level streams are needed to

reenforce the concept that no particular interest should become accustomed to receiving Legacy Fund earnings year after year.

We also suggest that projects funded by the Legacy Fund should be easily identified. To us this means that earnings should not be co-mingled with existing funds before eventual distribution, because then it is impossible to know which projects across the state were specifically supported by the Legacy Fund.

Using the 14% directed to the Highway Tax Distribution Fund as an example, GNDC believes that HB 1380 should instead create a “Legacy Highway Tax Distribution Fund” which can have the same or a similar purpose and distributions as the existing Highway Tax Distribution Fund. This separation will allow one-time projects funded by the earnings to be easily identified and for the citizens of our state to know exactly which specific projects are benefiting their community and our state.

I’ll conclude by saying that HB 1380 strives to set a plan for the responsible use of Legacy Fund earnings, which we strongly support. We stand ready to provide input to the committee as needed and thank the bill sponsors for their leadership on this issue.

Mr. Chairman, this concludes my remarks. I urge the committee to generally support the earnings plan created by HB 1380 and I would be happy to stand for any questions you have.