

HB 1452 – Testimony by Dustin Gawrylow (Lobbyist #266) North Dakota Watchdog Network

The Clean Sustainable Energy Fund is an open-ended expansion of government.

Based on the makeup of the voting committee, the deck is clearly stacked for using the money and the government program to bailout, subsidize, and prop-up tradition energy. And since we have multiple bills this session to help the coal industry, one can only assume it is to help that industry. At least for a little while.

It is also becoming apparent that the goal of the fund is to use state tax dollars to create a government program that will subsidize speculative technology with the goal of making fossil fuel based energy more marketable to states that have decided they don't want such power sources.

It should also be noted that even though the fiscal note on this bill does not say so, there is a \$40m/biennium continuing appropriation to this Clean Sustainable Energy Fund hiding in the Legacy Earnings Stream bill (HB 1380).

The Legacy Earnings portion of HB 1380 should either be triggered by the passage of HB 1452, or the Legacy Fund earnings provisions from HB 1380 should be placed into HB 1452 so that it is clear that HB 1452's fiscal note is not a one-time expense and that this will be an on-going subsidy and government program.

I will also note that HB 1412 is designed to provide \$35m/biennium in tax relief, while simultaneously increasing subsidies to the Lignite Research Fund.

The \$75m+ between HB 1412 and HB 1452 is almost half of what the fiscal note to completely eliminate the State Corporate Income Tax would be. This would be a much more fair, broad, and effective way to use tax policy.

The legislature should say no to growing government, say no to subsidizing one particular industry, and say no protectionist policies that will only buy certain industries a few more year in an export market that no longer wants coal based power.

By eliminating broad based tax burdens, for all industries, we can move North Dakota forward and expand the economy as a whole.

We oppose both HB 1452 and HB 1380 for these reasons and urge a DO NOT PASS as currently written.