

**2023 SENATE INDUSTRY AND BUSINESS**

**SB 2306**

# 2023 SENATE STANDING COMMITTEE MINUTES

## Industry and Business Committee Fort Union Room, State Capitol

SB 2306  
2/6/2023

A bill relating to job development authorities.

9:31 AM Chairman D. Larsen called the meeting to order. Members present: Chairman D. Larsen, Senator Barta, Senator Klein, Senator Boehm. Members absent: Vice Chairman Kessel.

### Discussion Topics:

- Board of directors
- Job development authorities
- Committee action

9:32 AM Senator Klein introduced SB 2306 and testified in favor. (verbal)

9:33 AM Joe Raso, President and CEO, Greater Fargo Moorhead Economic Development Association of North Dakota, testified in favor of SB 2306 #19150.

9:54 AM Dana Hager, Executive Director, Economic Development Association of North Dakota, testified in favor of SB 2306. (verbal)

9:57 AM Teran Doer, President, Economic Development Association of North Dakota, testified in favor of SB 2306. #19199

10:03 AM Chairman D. Larsen closed the hearing.

10:05 AM Senator Klein moved DO PASS SB 2306.

10:05 AM Senator Barta seconded the motion to DO PASS SB 2306.

Roll call vote:

Senators	Vote
Senator Doug Larsen	Y
Senator Greg Kessel	A
Senator Jeff Barta	Y
Senator Keith Boehm	Y
Senator Jerry Klein	Y

Vote: 4-0-1 DO PASS SB 2306

Senator Barta will carry the bill.

10:05 AM Chairman D. Larsen closed the hearing.

*Brenda Cook, Committee Clerk*

**REPORT OF STANDING COMMITTEE**

**SB 2306: Industry and Business Committee (Sen. Larsen, Chairman) recommends DO PASS (4 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING).** SB 2306 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.

**2023 HOUSE POLITICAL SUBDIVISIONS**

**SB 2306**

# 2023 HOUSE STANDING COMMITTEE MINUTES

## Political Subdivisions Committee Room JW327B, State Capitol

SB 2306  
3/3/2023

Relating to job development authorities

2:05 PM Chairman Longmuir opened the hearing. Members present: Chairman Longmuir, Vice Chairman Fegley, Rep. Hatlestad, Rep. Heilman, Rep. Holle, Rep. Jonas, Rep. Klemin, Rep. Motschenbacher, Rep. Ostlie, Rep. Rios, Rep. Toman, Rep. Warrey, Rep. Davis, and Rep. Hager.

### **Discussion Topics:**

- Community flexibility
- Economic development

Senator Klein: Introduced the bill. No written testimony.

Dana Hager, ND Economic Development: Testimony #21974

Jim Murphy, Executive Director, Traill County Economic Development Commission: Testimony # 21910

Matthew Marshall: Economic Development Administrator, Minnkota Power Cooperative: Testimony #21600

Joe Raso, President & CEO of the Greater Fargo Moorhead Economic Development Corporation: Testimony # 21514

### **Additional written testimony:**

Ryan Jilek, Executive Vice President, Stark Development Corporation: Testimony #21928

Recessed hearing at 2:12 PM.

Delores Shimek, Committee Clerk

# 2023 HOUSE STANDING COMMITTEE MINUTES

## Political Subdivisions Committee Room JW327B, State Capitol

SB 2306  
3/10/2023

Relating to job development authorities

9:00 AM Chairman Longmuir reopened the hearing. Members present: Chairman Longmuir, Vice Chairman Fegley, Rep. Hatlestad, Rep. Heilman, Rep. Holle, Rep. Jonas, Rep. Klemin, Rep. Motschenbacher, Rep. Ostlie, Rep. Rios, Rep. Warrey, Rep. Davis, and Rep. Hager. Absent: Rep. Toman

### Discussion Topics:

- Reduce redundancies.
- Necessity of fiscal note.
- County law.
- County commissions vs. private industries.

Rep. Klein: Introduced the bill, and spoke in favor of SB 2306.

Joe Raso: Greater Fargo Moorhead Economic Development Corporation. Referenced Testimony #21514

The hearing closed at 9:05 AM.

Rep. Jonas moved a Do Pass;  
Seconded by Rep. Ostlie

Representatives	Vote
Representative Donald W. Longmuir	Y
Representative Clayton Fegley	Y
Representative Jayme Davis	Y
Representative LaurieBeth Hager	Y
Representative Patrick Hatlestad	Y
Representative Matt Heilman	Y
Representative Dawson Holle	Y
Representative Jim Jonas	Y
Representative Lawrence R. Klemin	Y
Representative Mike Motschenbacher	Y
Representative Mitch Ostlie	Y
Representative Nico Rios	Y
Representative Nathan Toman	A
Representative Jonathan Warrey	Y

House Political Subdivisions Committee  
SB 2306  
March 10, 2023  
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Roll call vote: 13 Yes 0 No 1 Absent Motion carried.  
Carrier: Rep. Jonas

The meeting closed at 9:07 AM.

Delores Shimek, Committee Clerk

**REPORT OF STANDING COMMITTEE**

**SB 2306: Political Subdivisions Committee (Rep. Longmuir, Chairman)** recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2306 was placed on the Fourteenth order on the calendar.



**TESTIMONY**

**SB 2306**



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February 3, 2023

Senate Industry and Business Committee  
Chairman Doug Larsen

Chairman Larsen, and members of the committee, my name is Joe Raso, President and CEO of the Greater Fargo Moorhead Economic Development Corporation. I'm writing in support of SB2306.

For decades, my organization has been led and supported by cities, counties, and hundreds of private companies within our metropolitan region. The combination of private and public sector leadership and funding has boded well for our economy and the primary sector companies we support.

In the past four years, we've had the honor of assisting more than 100 projects in our region, and these companies have invested nearly \$1 billion of capital and helped to create thousands of jobs, adding significant tax base at the local, regional, and state levels.

As the complexity of our work has grown, especially the need to focus on workforce development and the increased need to connect our K-12, higher education, industry, and community organizations, such as Chambers, EDCs and others, we realized that a more efficient and effective approach was needed regarding our public funding.

Thankfully, the State had, passed decades ago, section 11-11.1-01 of the North Dakota Century Code, a County Job Development Authority. In working with Cass County Commission Chair, Chad Peterson, and former North Dakota State Senator, Tony Grindberg, who now serves as a county commissioner, we realized that the foundation and intent of this legislation could provide a mechanism to serve our programming and leadership needs. Specifically, proposing modifications to the existing legislation would:

- Not change/impact those currently using the legislation if they still want to operate as they've been doing.
- Provide all counties across our state more flexibility in establishing a county JDA and maintain the intent of the legislation. Specifically,:
  - For larger markets, it alleviates situations where the current legislation requires the involvement of some government entities that haven't been involved, and generally aren't interested in serving on a JDA. And aligns the legislation with existing structures already in place with many economic development organizations, which already have public and private sector board members serving on their economic development boards.
  - For smaller markets, it alleviates situations requiring 10-15 people who must qualify as private and/or public representatives, which has shown to be a challenge with the current legislation.
- Create more alignment between the public sector and private sector as most counties have economic development organizations operating and this will link them even more closely.
- Keep the authority resting with the county elected officials, both in terms of determining the appropriate funding, but also approving those who serve on the JDA.

In closing, I'd like to thank Senator Klein and all the co-sponsors of this legislation. I know you have very full schedules and taking the time to understand hundreds of bills, and advocate for your own priority bills, is much appreciated. Your leadership isn't missed on me or those in economic development who support this legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Raso".

Joe Raso, President & CEO  
Greater Fargo Moorhead Economic Development Corporation



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

**Testimony of Teran Doerr**  
**Economic Development Association of North Dakota**  
**In Support of HB 2306**  
**February 6, 2023**

Chair Larsen and members of the Senate Industry and Business Committee:

I am Teran Doerr, executive director of Bowman County Development Corporation and current president of the Economic Development Association of North Dakota (EDND). I want to express our support for SB 2306 regarding Job Development Authorities (JDA).

EDND represents more than 80 state economic development organizations on the front lines 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. Many of our members are governed through the JDA chapter of Century Code to "encourage and assist in the development of employment and promotion of tourism within the county".

The new subsection proposed in SB 2306 does not impact or change the way a county JDA currently operates but allows for more flexibility in establishing strong and invested boards for JDAs. EDND supports steps to help strengthen our organizations who are working hard for North Dakota at the local level.

Thank you for the time and energy to discuss SB 2306. EDND urges a Do Pass.



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March 1, 2023

North Dakota House Political Subdivisions Committee  
Chairman Donald Longmuir,

Chairman Longmuir, and members of the committee, my name is Joe Raso, President and CEO of the Greater Fargo Moorhead Economic Development Corporation. I'm writing in support of SB2306.

For decades, my organization has been led and supported by cities, counties, and hundreds of private companies within our metropolitan region. The combination of private and public sector leadership and funding has bode well for our economy and the primary sector companies we support.

As the complexity of our work has grown, especially the need to focus on workforce development and the increased need to connect our K-12, higher education, industry, and community organizations, such as Chambers, EDCs and others, we realized that a more efficient and effective approach was needed regarding our public funding.

Thankfully, the State had, passed decades ago, section 11-11.1-01 of the North Dakota Century Code, a County Job Development Authority. In working with Cass County Commission Chair, Chad Peterson, and former North Dakota State Senator, Tony Grindberg, who now serves as a county commissioner, we realized that the foundation and intent of this legislation could provide a mechanism to serve our programming and leadership needs. Specifically, proposing modifications to the existing legislation would:

- Not change/impact those currently using the legislation if they still want to operate as they've been doing.
- Provide all counties across our state more flexibility in establishing a county JDA and maintain the intent of the legislation. Specifically,:
  - For larger markets, it alleviates situations where the current legislation requires the involvement of some government entities that haven't been involved, and generally aren't interested in serving on a JDA. And aligns the legislation with existing structures already in place with many economic development organizations, which already have public and private sector board members serving on their economic development boards.
  - For smaller markets, it alleviates situations requiring 10-15 people who must qualify as private and/or public representatives, which has shown to be a challenge with the current legislation.
- Create more alignment between the public sector and private sector as most counties have economic development organizations operating and this will link them even more closely.
- Keep the authority resting with the county elected officials, both in terms of determining the appropriate funding, but also approving those who serve on the JDA board.

We greatly appreciate the unanimous support (46-0) of the Senate on this bill earlier in the legislative session and would like to thank Senator Klein and all the co-sponsors of this legislation. We know you have very full schedules and taking the time to understand hundreds of bills, and advocate for your own priority bills, is much appreciated. Your leadership isn't missed on us in economic development who support this legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Raso", is written over a light blue horizontal line.

Joe Raso, President & CEO  
Greater Fargo Moorhead Economic Development Corporation



Matthew Marshall  
5301 32<sup>nd</sup> Ave S  
Grand Forks ND 58201  
mmarshall@minnkota.com

RE: **TESTIMONY IN SUPPORT OF SB 2306**

Chair Longmuir and members of the House Political Subdivisions Committee:

North Dakota benefits from strong Job Development Authorities (JDAs) that work to ensure we have sustainable and healthy growth. This growth, can lower taxes and provide resilient communities for all North Dakotans to live in. SB 2306 updates legislation to expand options for counties to leverage local Economic Development Organizations to act as the administrator of JDA dollars. This change limits the duplication of efforts and ensures the state is recognizing the different organizational structures that exist.

SB 2306 is an administrative change that makes sure the counties have the flexibility to partner with organizations on the front line of community and economic development if they choose. The option to partner still remains at the sole discretion of the county but would finally allow partnership with an economic development organization or an industrial development organization depending on what is available. Though this distinction is slight, this change will ensure the county has the ability to stretch resources further and leverage local assets if they would like.

SB 2306 expands the capacity across the state work on sustainable healthy growth. I urge a Do PASS on SB 2306.

Sincerely,

**Matthew Marshall**

A handwritten signature in green ink that reads "Matt Marshall". The signature is fluid and cursive, with the first name "Matt" and last name "Marshall" clearly legible.

**Economic Development Administrator**

# TRAILL COUNTY ECONOMIC DEVELOPMENT

WE KNOW BUSINESS 

March 3, 2023

Senator Longmuir, Chair  
House Political Subdivisions  
ND Capitol Building  
Bismarck, ND 50504

Senator Longmuir and the Senate Political Subdivisions Committee,

Thank you for taking a few minutes to read this letter of support for Senate Bill 2306. I appreciate your time and consideration in listening to my input on this matter.

I am the executive director for the Traill County Economic Development Commission. Our organization is also the Job Development Authority (JDA) in Traill County. We serve many roles in our county, but most of these revolve around assisting our businesses in growing and helping our communities thrive.

Our funding comes from the county; we are funded by up to four mills annually through the consideration of our citizens and at the discretion of the county commission – the point being that our funding comes at the local level. There is a system of checks and balances within our bylaws that ensures the local commissioners have authority to approve the representatives who serve on our board. These board members, in turn, have the responsibility to ensure the work we do for our county is in the best interests of our citizens and the county as a whole.

It is my opinion that the language of SB 2306 would ensure that volunteer board members like ours, who often are hard to find, are able to serve on multiple boards within a region's economic development arena. This in turn, makes it much easier to find people with the skills, passion and time to do this work.

I know the difficulty in finding volunteer board members in Traill County. Having the option of being able to maximize these board members and the work they do, as spelled out in SB 2306, will only help organizations like ours work more effectively and efficiently.

If you have questions or concerns you can contact me via email ([director@trailcountyedc.com](mailto:director@trailcountyedc.com)), on my office phone at (701) 636-4746 or even on my cell at (701) 430-1644.

Sincerely,



Jim Murphy  
Executive Director, Traill County Economic Development Commission



Phone: 701.225.5997  
Fax: 701.227.8647



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team@starkdev.com

103 1<sup>st</sup> Avenue West, Suite 101 • Dickinson, ND 58601

Thursday, March 2, 2023

Dear Chairman Longmuir and Members of the House Political Subdivisions Committee:

Chairman Longmuir and members of the committee, my name is Ryan Jilek and I am the Executive Vice President for Stark Development Corporation (SDC) and a member of the Economic Development Association North Dakota (EDND), I want to express my support of SB 2306 regarding Job Development Authorities. SDC is the economic development office serving Dickinson and all Stark County.

SB 2306 provides another effective option under North Dakota Century Code regarding JDA's for counties to engage in economic development services. By leveraging the services of economic development organizations directly, the board of county commissioners may elect to contract with existing entities providing economic development services.

Working with many of our surrounding counties we see the challenges of maintaining active and engaged JDA boards to further their economic development investments. SB 2306 allow the county to maintain their active role in economic development but removes barriers that may arise in creating or sustaining an active JDA.

Although the proposed legislation does not affect our relationship with our Stark County JDA or other partners, we do recognize the benefits this expanded language provides to further economic development throughout the state. Anything that can be done to expand economic development efforts ultimately affects every individual in North Dakota in a positive way.

Thank you for your time, attention and consideration regarding this proposed legislation. We see this addition as a positive and for the above reasons we encourage a DO PASS recommendation on SB 2306.

Sincerely,

A handwritten signature in blue ink that reads 'Ryan Jilek'.

Ryan Jilek, Executive Vice-President  
Stark Development Corporation



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

**Testimony of Dana Hager**  
**Economic Development Association of North Dakota**  
**In Support of SB 2306**  
**March 3, 2023**

Chair Longmuir and members of the House Political Subdivisions Committee:

My name is Dana Hager, executive director of the Economic Development Association of North Dakota (EDND). I want to express our support for SB 2306 regarding Job Development Authorities (JDA).

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. Many of our members are governed through the JDA chapter of Century Code to "encourage and assist in the development of employment and promotion of tourism within the county."

The new subsection proposed in SB 2306 does not impact or change the way a county JDA currently operates but allows for more flexibility in establishing strong and invested boards for JDAs. This change will streamline the process for our communities and create more efficiencies and better communication between EDOs and JDAs. EDND supports steps to help strengthen our organizations who working hard for North Dakota at the local level.

Thank you for the time and energy to discuss SB 2306. EDND urges a Do Pass.