

Fifty-sixth Legislative Assembly, State of North Dakota, begun in the Capitol in the City of Bismarck, on Tuesday, the fifth day of January, one thousand nine hundred and ninety-nine

HOUSE CONCURRENT RESOLUTION NO. 3049
(Representatives Dorso, Monson, Boucher)
(Senators G. Nelson, St. Aubyn, T. Mathern)

A concurrent resolution directing the Legislative Council to study taxation and regulatory incentives for the lignite industry in order to improve its competitive position in the energy marketplace and to identify federal and international impediments to development of the lignite industry and potential state actions to address such impediments.

WHEREAS, North Dakota's lignite industry mines approximately thirty million tons of lignite annually, contributing to our state's and nation's energy independence by generating electricity for more than two million people in the northern Great Plains region and by producing synthetic natural gas from coal that heats 300,000 homes and businesses in eastern states, which is equivalent to over 20,000 barrels of oil per day; and

WHEREAS, North Dakota's lignite industry generates over 20,000 direct and indirect jobs for North Dakota, over one billion dollars in annual business volume, and over sixty-five million dollars in annual tax revenue; and

WHEREAS, the Legislative Assembly has previously determined that it is an essential governmental function and public purpose to assist with the development and wise use of North Dakota's vast lignite resources by supporting a lignite research, development, and marketing program; and

WHEREAS, the Gascoyne mine has closed due to the loss of its contract in favor of out-of-state subbituminous coal; and

WHEREAS, subbituminous coal has been utilized in two North Dakota coal generating facilities; and

WHEREAS, with deregulation and restructuring within the electrical industry, there are increasing competitive pressures on the lignite industry; and

WHEREAS, government taxation and regulatory costs constitute up to thirty percent of the cost of North Dakota lignite; and

WHEREAS, new proposed environmental requirements on both the federal and international level threaten the future of the lignite industry; and

WHEREAS, North Dakotans desire to maintain their state's status as a clean air state and as a state with an equitable tax structure;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF NORTH DAKOTA, THE SENATE CONCURRING THEREIN:

That the Legislative Council study the feasibility and desirability of providing taxation incentives and eliminating unnecessary regulatory burdens in order to make the lignite industry more competitive in order to protect and enhance the jobs and economic activity associated with the development of the state's abundant lignite resource, while at the same time maintaining a clean and healthy environment for all of our state's citizens; and

That the Legislative Council study the coal severance tax and energy conversion tax structure and identify proposals that would make the lignite industry more competitive; and

That the Legislative Council identify federal and international impediments that threaten development of the state's lignite industry and make recommendations on any state actions that could assist in addressing federal and international restrictions that adversely impact future development of the state's abundant lignite resource; and

BE IT FURTHER RESOLVED, that the Legislative Council report its findings and recommendations, together with any legislation required to implement the recommendations, to the Fifty-seventh Legislative Assembly.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

Filed in this office this _____ day of _____, 1999,
at _____ o'clock _____ M.

Secretary of State