

February 2, 2021

House Finance and Taxation Committee
Chairman Craig Headland
4950 92nd Avenue SE
Montpelier, ND 58472-9630

Re: Bill 1456, relating to a sales and use tax exemption for materials used in the research and development of bioscience and biotechnology; and to provide an effective date.

Honorable Chairman Headland:

One of the “Missions” of the Bioscience Association of North Dakota is to facilitate the growth of biotech companies in North Dakota by recruiting quality applicants from outside the state as well as to encourage high quality applicants located in the State to expand their operations. The Association was successful these last two years in that we managed to add 13 Companies to the Bioscience Portfolio, 7 were recruited to North Dakota and 6 were North Dakota startups. The 13 companies created are projected to create - 161 jobs. The industry average salary is \$65,000 a year, or \$28.85 per hour. Therefore, the companies generate \$10.5 million a year in salary, \$21 million per biennium.

The Association was also successful in helping a major biotech company, Aldevron, Inc., located in Fargo, North Dakota, expand its operations in 2018 when they constructed their 70,000-sf addition, the world’s largest plasmid DNA manufacturing facility. Since that time, they are expanding once again and are now constructing an 189,000-sf building expected to open in Q2 2021. It is projected that Aldevron, which has 500 employees now, for an annual payroll of \$32,500,000 a year, will grow to 1,000 employees by 2021, with an annual payroll of \$65 million dollars per year.

In order to continue our success, we need “economic tools” that our contemporaries have in places like Wisconsin and Texas, who are using policies like HB-1456 to make their regions more attractive to innovators and businesses deciding where to locate and grow their biotechnology companies. Policies like HB-1456 would not only put us on a more even footing with other states in attracting biotech firms but would also strengthen the global competitiveness of companies that we already have here.

We have world class research capabilities and talent production from NDSU and UND; powerful capital access programs for technology innovators through LIFT, PACE, and the North Dakota Development Fund; and major ecosystem anchors like Aldevron that are already attracting other biotech partners and collaborators to relocate to be near them. By adding sales and use tax exemption for materials used in the research and development of bioscience and biotechnology products we could have the leading edge in attracting biotech firms to North Dakota as well as encouraging those firms already here to “dive in” and make the investment to expand their businesses.

We believe in the potential of the biotechnology industry to become a future driver of North Dakota’s economy and have a lasting impact on this state and urge your support HB-1456 as you consider this important public policy.

Respectfully submitted,
Richard Glynn
Executive Director
Bioscience Association of North Dakota