



**Reshoring
Institute**

NORTH DAKOTA

State Economic Survey and Incentive Comparison

CONTACT INFORMATION

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US State Name: **North Dakota**

State Abbreviation: **ND**

State Economic Development Web
Address: www.NDBusiness.com

State Economic Development Email
Address: ndedf@nd.gov

State Economic Development Phone
Number: 1-866-4DAKOTA or 701-328-5300

Additional Relevant Links for Relocating
Companies:

<http://www.nd.gov/>

INCOME AND OUTPUT

This section highlights the state's productivity and income to provide an understanding of the amount of business conducted and the rate of growth for businesses and individuals.

Source: Bureau of Economic Analysis

Gross Domestic Product, in millions (2015 annual): **54,830 millions of current dollars, all industries**

Gross Domestic Product % Growth (2014-2015): **-5.8%, % change from preceding period**

Per Capita Personal Income (*GDP/Population) This is often used as a standard of living measurement (2015): **54,375, current dollars**

Per Capita Personal Income % Change (2014-2015): **-2.6, % change from preceding period**

WORKFORCE

Source: U.S. Census, Job Service North Dakota and North Dakota Workforce Safety & Insurance

Total Population (2015): **756,927**

Total Civilian Labor Force (2015): **414,344**

Total Number of Persons Employed (2015): **403,058**

Total Number of Persons Unemployed (2015): **11,286**

Unemployment Rate % (2015 Annual): **2.7%**

Manufacturing Employment (2014): **23,250**

Professional and Business Services Employment (2014): **16,453**

State Right-to-Work Law (2015): **Yes**

Large Factory Openings during Previous Year (2015):

- **Midwest Manufacturing (Menards)**
- **LM Wind Power Blades ND Inc - expansion**
- **Tesoro Dickinson Refinery**
- **Remington Seeds LLC**
- **ONEOK Partners LP- Lonesome Creek Plant**

Large Factory Closures during Previous Year (2015):

- **Benchmark Electronics Inc, Dunseith**

EDUCATION

This section provides further insight into the potential workforce education levels, advanced areas of education, and partnerships between higher education and industry for insight into quality of labor force and growth sustainability.

Source: U.S. Census, IPEDS, North Dakota University System, North Dakota Career & Technical Education and Job Service North Dakota

% High School Diploma or More (2015): **92.5%**

% Bachelor's Degree or Higher (2015): **29.2%**

Enrollment in Higher Education Institutions (2015): **56,949 students**

Science and Engineering Graduate Students (Fall 2014): **897 students**

List of High School, College or University Manufacturing Partnership Programs (2016) These are partnerships with manufacturers to help train future employees in certain skills:

- **North Dakota State College of Science (NDSCS) Partnership Program**
<https://www.ndscs.edu/business-community/partnerships>
- **University of North Dakota (UND) Center for Innovation**
http://www.innovators.net/innovators/public_html/
- **North Dakota State University (NDSU) Research and Technology Park** <https://www.ndsuresearchpark.com/>
- **Engineering, welding, manufacturing and apprenticeship programs**
<http://www.jobsnd.com/individuals/training/providers>

List of additional manufacturing training Programs (2016):

- **North Dakota Department of Career and Technical Education (CTE)**
<https://www.nd.gov/cte/>
- **North Dakota Workforce 20/20**
<http://www.jobsnd.com/business/funding-workforce-training>
- **North Dakota New Jobs Training Program**
<http://www.jobsnd.com/business/business-related-resources>

COST OF DOING BUSINESS

This section highlights the costs associated with doing business in the state including taxes, wages, insurance, and energy expenses.

Source: North Dakota Tax Department, Job Service North Dakota, Workforce Safety & Insurance and U.S. Energy Information Administration

State Corporate Income Tax % (2016): **Graduated rate of 1.41% to 4.31%**

<http://www.nd.gov/tax/user/businesses/formspublications/corporate-income-tax>.

State Individual Income Tax % (2016): **Graduated rate of 1.1% to 2.9%**

<http://www.nd.gov/tax/user/individuals/forms--publications/individual-income-tax/forms-instructions-iit/current-year-individual-income-tax-forms--instructions/>

State Level Sales Tax % (2016): **5%**

Local Average Sales Tax Rate % (2016): **1.77%**

Unemployment Insurance Tax Rate Schedule (2016):

- **Taxable Wage Base \$37,200**
- **New Employer Rates**
 - **Non-Construction: 1.62%**
 - **Construction: 10.72%**
- **Experience Rated Employers**
 - **Assigned rates based on the company's record of unemployment insurance taxes paid and benefits charged.**

Workers' Compensation Employer Insurance Costs per \$100 of Payroll (2016):

- **Companies may be eligible for discounts on their premium based on the company's "experience rating" or approved safety incentive program participation.**
- **Rates are based on industry, examples are provided in the table below.**

Workers Compensation Rate Examples as of July 1, 2016			
	Class	Base Rate	Max Annual Charge @ Wage Cap
Food Processing	2014	\$3.82	\$1,421.04
Mfg of Light Metal/Non-Metal	3124	\$1.91	\$710.52
Foundries - Implement and/or Equip	3504	\$4.61	\$1,714.92
Computer/Electronics/Assembly	3685	\$1.07	\$398.04
Trucking and Hauling	7215	\$8.39	\$3,121.08
Wholesale Warehouse	8016	\$2.56	\$952.32
Professional/Business Reps	8747	\$0.55	\$204.60
Clerical Office Employees	8805	\$0.27	\$100.44

Average Industrial Electric Rate (YTD September 2016 Average): **10.34¢/kWh**

Average Price of Natural Gas Delivered to Industrial Consumers (YTD September 2016 Average): **\$2.39 Mcf**

Average Hourly Earnings of Production Workers in Manufacturing (2015): **\$21.48**

Minimum Wage (current): **\$7.25/hour**

Pending Legislation Regarding Minimum Wage: **No**

If you answered YES to the above question, What is the proposed minimum wage?:

If you answered YES to the above question, What is the legislative bill number?:

ENTREPRENEURSHIP AND INNOVATION

This section underscores the successes of the state in terms of business innovation through awards, venture capital, and intellectual property attainment.

Source: U.S. Small Business Administration, Dakota Carrier Network, North Dakota Secretary of State and the U.S. Patent and Trademark Office

Total Small Business Innovation Research (SBIR) Awards (2015): **\$197,973**

Total Small Business Technology Transfer (STTR) Awards (2015): **\$3,367,725**

% of State with Internet Accessibility: **100% fiber optic broadband communication network links all regions of the state.**

Newly Registered Businesses (2015): **8,872**

Newly Registered Patents (2015): **110**

FOREIGN DIRECT INVESTMENT

This section provides insight into the amount of current investment overseas and the potential state market for manufacturers to reshore.

Source: U.S Commercial Service and the Bureau of Economic Analysis

Foreign Direct Announcements: **The announcement, [U.S. Commercial Service Backs Nordic- North Dakota UAS Connections](#), can be found on the U.S Commercial Service website.**

Foreign Direct Employment (2014): **Employment in North Dakota by U.S. Affiliates of Foreign Multinational Enterprises was 13,400.**

TRANSPORTATION AND INFRASTRUCTURE

This section sheds light on the basic infrastructure of the state and what a company can expect in terms of the logistics of shipping their product.

Source: ND Aeronautics Commission, North Dakota Department of Transportation and U.S. Foreign-Trade Zones Board

Number of airports throughout the state: **89 general aviation and public-use airports, including 8 commercial service airports**

Number of international airports throughout the state:

4 major international airports

- **Fargo – Hector International Airport**
- **Grand Forks International Airport**
- **Minot International Airport**
- **Williston Sloulin Field International Airport**

Number of major 2 or 4-Lane Highways running through the state: **81 (2 interstates + 7 U.S. highways + 72 state highways)**

Number of major railways going through the state: **7**

Number of major ports connected to the state: **18**

Number of foreign trade zones: **2**

- **FTZ No. 103 Grand Forks**
- **FTZ No. 267 Fargo**

INCENTIVES

Different states offer different incentives to entice companies to move to their state. This section will allow you to highlight these incentives.

For more detail, see North Dakota's Business Incentives Database website:
<http://www.business.nd.gov/finance/FinancialPackages/IncentivesDatabase/>

Pending Legislation

Proposed Incentives Currently Pending Approval (Y/N): **Yes**

If you answered YES above, please describe the pending incentives including the bill number if applicable:

- **Wind Powered Sales Tax: HB 1028 Failed**
- **Angel Fund Investment Tax Credit: HB 1045 Pending**
- **Telecommunications Infrastructure: HB 1046 Failed**
- **Automation Tax Credit: House Bill 1047 Failed**
- **Certified Nonprofit Development Corporation Investment Credit: HB 1048 – Repeals**
- **Wage and Salary Credit: HB 1049 – Repeals**
- **Microbusiness Income Tax Credit: HB 1050 – Repeals**
- **Events Matched Grant: Being Eliminated**
- **Marketing Matched Grant: Being Eliminated**
- **Tourism Expansion Grant: Being Eliminated**

Cash Incentives

Does the state provide any CASH incentives? (Y/N): **No**

If you answered YES above, please provide details of this incentive including the contact information and website if applicable:

State Tax Credits

Does the state provide any Tax Credit incentives? (Y/N): **Yes**

If you answered YES above, please describe the available tax credits:

- **Angel Fund Investment Tax Credit**
- **Biodiesel Tax Credits**
- **Biomass Geothermal Solar or Wind Energy Credit**
- **Certified Nonprofit Development Corporation Investment Credit**
- **Internship Employment Credit**
- **Microbusiness Income Tax Credit**
- **Research Expense Credit**
- **Seed Capital Investment Credit**
- **Wage and Salary Credit**
- **Workforce Recruitment Credit**

State Tax Exemptions

Does the state provide any Tax Exemptions? (Y/N): **Yes**

If you answered YES above, please describe the available tax exemptions:

- **Agricultural Processing Plant Construction Materials Sales Tax Exemption**
- **Biodiesel Equipment Sales Tax Exemption**
- **Carbon Dioxide for Enhanced Oil and Gas Recovery**
- **Coal Conversion Facilities (Payment in Lieu of Property Tax)**
- **Coal Mine Machinery or Equipment**
- **Computer and Telecommunications Equipment Sales Tax Exemption**
- **Electrical Generating Facilities—Coal Powered Sales Tax Exemption**
- **Electrical Generating Facilities—Wind-Powered Sales Tax Exemption**
- **Electrical Generating Facilities—Other Sales Tax Exemption**

- Gas Processing Facilities Sales Tax Exemption
- Hydrogen Generation Facility Sales Tax Exemption
- Income Tax Exemption
- Liquefied Gas Processing Sales Tax Exemption
- Manufacturing Agricultural or Recycling Equipment Sales Tax Exemption
- Oil Refineries Sales Tax Exemption
- Oil Tax Incentives
- Personal Property Tax Exemption
- Property Tax Exemptions
- Renaissance Zones
- Sales Tax Exemption Approval Process

State Grants

Does the state provide any Grant incentives? (Y/N): **Yes**

If you answered YES above, please describe the available grants:

- Agricultural Products Utilization Commission (APUC)
- Lignite Research Development and Marketing Program
- North Dakota's Renewable Energy Program (REP)

State Loans

Does the state provide any Low-Interest Financing incentives? (Y/N): **Yes**

If you answered YES above, please describe the available financing opportunities:

- Ag Commodity Export Enhancement Program
- Agriculture Partnership in Assisting Community Expansion (Ag PACE)
- Beginning Entrepreneur Loan Guarantee Program
- Beginning Farmer Farm Loans (Revolving Loan Fund)
- Biofuels PACE
- Business Development Loan Program
- Community Development Block Grant/Loan Fund (CDBG/CDLF)
- EB-5 Program
- Established Farmer Real Estate Loan Program
- Export Enhancement Program
- Family Farm Loan Program
- Farm and Ranch Bank Participation Loan Program
- Farm Operating Loan Program
- Farm Real Estate Loan Guarantee Program
- Flex PACE
- Industrial Development Bond Program (IDB)
- Livestock Waste Management System Loan Program
- Local Rail Freight Assistance Program (LRFA)/Freight Rail Improvement Program (FRIP)
- Main Street Loan Program
- MATCH Program
- North Dakota Development Fund
- North Dakota Opportunity Fund
- USDA Guaranteed Loan Purchase Program
- Value-Added Agriculture Equity Loan Program (Envest)

Training Programs

Does the state provide any Specialized Training Program incentives? (Y/N): **Yes**

If you answered YES above, please describe the available training programs:

- North Dakota New Jobs Training Program: May be eliminated by the 2017 Legislative Session
- Work Opportunity Tax Credit
- Workforce 20/20: May be eliminated by 2017 Legislative Session

Zoning

Does the state provide any Special Zoning incentives? (Y/N): **Yes**

If you answered YES above, please describe the available special zoning opportunities:

- **Renaissance Zones**

State Marketing and Promotions

Does the state provide any Marketing and Promotional incentives? (Y/N): **No**

If you answered YES above, please describe the available special marketing or promotional opportunities:

Innovation Centers

Does the state have Innovation Centers or Additional Resource available for companies? (Y/N): **Yes**

If you answered YES above, please describe the available innovation centers or additional resources:

- **Impact Dakota**

AMERICAN MADE LABEL REQUIREMENTS

Federal Trade Commission oversees “Truth in Advertising” regulations including promotion or disclosure of products displaying “Made in USA” labeling. FTC requires products advertised as “Made in USA” be “all or virtually all” made in the U.S. “all or virtually all” means the product should contain no – or negligible – foreign content.

Made In USA Requirements

Does the state have any specific requirements for labeling products "Made in USA"? (Y/N): **No**

If you answered YES to the question above, what are the requirements for labeling products "Made in USA":

Is there pending legislation regarding these requirements? (Y/N): **No**

If you answered YES to the question above, please describe the proposed legislation including the bill number:

Made In YOUR STATE Requirements

Does your state have any specific requirements for labeling products "Made in YOUR STATE"? (Y/N): **No**

If you answered YES to the question above, what are the requirements for labeling products "Made in YOUR STATE":

Is there pending legislation regarding these requirements? (Y/N): **No**

If you answered YES to the question above, Please describe the proposed legislation including the bill number:

Is there an organization or entity that monitors state labeling? (Y/N): **No**

If you answered YES to the question above, please provide the name and contact information for the the organization or entity:

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Thank you for your time. Please email your responses to alevy@reshoringinstitute.org and your responses will be recorded and available online for review at www.reshoringinstitute.org.