

**TESTIMONY ON SENATE BILL 2139
House Finance and Tax Committee**

March 17, 2021

Mayor Brandon Bochenski, City of Grand Forks, ND

Chairman Headland and members of the Finance and Tax Committee, my name is Brandon Bochenski, Mayor of the City of Grand Forks, and I thank you for the opportunity to provide testimony and express my support for Senate Bill 2139, with one suggested modification.

The Renaissance Zone program has proven the profound impact that exempting added value (and added value only) can have in spurring development and bolstering neighborhoods and local and state tax base. Grand Forks sees this impact firsthand as our downtown continues to rebuild and grow, physically and fiscally, from its deteriorated post-flood state 20 years ago. The proposed Neighborhood Zones program would only serve to apply these tried and true strategies on a broader scale throughout the community.

As applied in Grand Forks, the Renaissance Zone program has no downside to taxing entities, but lots of upside. As only the added value on approved projects is exempted, taxing entities continue to collect the same base level of taxes during the exemption period as they did pre-project. While plenty of details would remain to be ironed out, I anticipate neighborhood zones would operate in a similar way, giving homeowners a powerful incentive to improve their property and benefit their entire neighborhood.

I believe this program will particularly empower those homeowners who may not otherwise be able to immediately afford the corresponding tax increase on the added value that would result from improving their homes. Additionally, homeowners may be able to afford more extensive projects than they otherwise might, enabling them to build more value in their property and amplifying the positive impact on their neighborhood.

In the vein of maximizing this program's potential impact, I ask that you consider a minor change to the language of the bill, specifically in defining the income and property tax exemptions allowed for renaissance and neighborhood zone projects (Sections 40-63-04 and 40-63-05). The inclusion of the term "detached" in reference to single-family residential properties appears to eliminate condominiums as an eligible project for both renaissance and neighborhood zones. Promoting the improvement of all home types is an important aim, and I do not believe it is the intention of this bill to exclude this specific type. Simply

removing the term “detached” from these two sections will ensure the aim of the bill can be applied more holistically in our neighborhoods.

While the downtown area continues its growth under the Renaissance Zone program, there exists immense potential in numerous other core neighborhoods in Grand Forks and neighborhood zones would be a powerful means of driving reinvestment to benefit not only those residents who live in that particular area directly, but indeed the whole community. SB 2139 presents an excellent opportunity to apply proven strategies to do just that in targeted areas throughout our community and as such receives my wholehearted support.

I humbly ask for a DO PASS recommendation for SB 2139.