

January 28, 2021
Senate Appropriations
Rep. Holmberg, Chairperson
SB 2040

Rep. Holmberg and members of Senate Appropriations. For the record, Blake Crosby, Executive Director, North Dakota League of Cities.

At the January 26-27, 2021, meeting of the Federal Reserve, they announced keeping interest rates steady at a range of 0 to .25 percent until the economy has weathered the effects of the coronavirus. That decision drives municipal bond rates which are at historic lows. As an example, I have had cities tell me that they are issuing refunding bonds, or sometimes combinations of refunding bonds and regular bonds, at interest rates in the 1.4% to 1.9% range. If the State passes a bonding bill this Session, we are talking basically free money.

There are a number of bonding bills introduced and they all will see changes as they work their way through the legislative process. The commonality in the bills is that they recognize the need for low-interest loans for infrastructure investments using Legacy Fund streams, while protecting the corpus of the Legacy Fund.

We can't let a bonding bill opportunity pass us by. We can't assume this opportunity will be here next Session. The longer we wait, the more expensive infrastructure costs become and the more risk we assume. Let's move all bonding bills forward and see which one serves the best interests of the citizens of the State.

Thank you for your time. I will try to answer any questions.