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**TESTIMONY ON HOUSE BILL 1300  
Senate Political Subdivision Committee  
March 5, 2021**

**Maureen Storstad, Finance Director  
City of Grand Forks, ND**

Mr. Chairman and members of the committee, my name is Maureen Storstad, and I am the Finance Director for the City of Grand Forks and also serve as its City Auditor. I want to thank you for the opportunity to provide testimony and express my concern and opposition to this legislation and what is, perhaps, its unintended consequence. I have included two main areas of concern in bullet points below:

- Future Assessment Areas – Special assessments cover a district that may involve land that has not been annexed into the city but receive benefit from the project. The City cannot special assess the property until land is annexed into the city. In the interim, the City makes the annual bond payments from other means, such as utility funds, for the unannexed areas that benefit from the project that are not yet legally able to be special assessed. The City needs to be able to recover such payments with special assessments when such benefited parcels are annexed, even if the bond has been satisfied. It is unclear whether “interfund loan” language contained in the bill is intended to address future special assessments and what tracking process would be required, particularly given limited staff availability that exists in the event an extensive process would be required.
- Causes Inequity between tax payers – one neighbor may pay more than the other neighbor for the same benefit. Residents that decide to prepay their special assessments may end up paying more for the same benefit if special assessments were to be canceled going forward once a bond has a sufficient

balance, as those that have not yet paid their special assessments in full would no longer be required to continue payments. This could happen in a case of interest savings that result in a bond that has been refinanced by the City. We pride ourselves on watching out for interest savings in times of a low interest rate environment. In the past, it has been the practice in Grand Forks to spread the benefit of bond interest savings to all taxpayers, rather than using it to benefit just a small segment of the population. Those that have prepaid would, in effect, be penalized, as they may end up paying more than their neighbor for the same project. Everyone should pay the same for the same benefit received.

It is for these reasons the passage of House Bill 1300 is not in the best interests of the City of Grand Forks nor any other North Dakota political subdivision. Thank you for your time and consideration. I respectfully ask for a DO NOT PASS on House Bill 1300.