



February 2, 2021
House Appropriations
Rep. Delzer, Chairman
HB 1380

Good morning Chairman Delzer and members of the House Appropriations Committee. For the record Blake Crosby, Executive Director, North Dakota League of Cities.

We are here in support of HB 1380. This is another bill that recognizes the time for the State to bond to address infrastructure needs, capitol construction, career and technical education, economic diversification, energy resources and more is now.

At last week's 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. We cannot ignore these rates. The longer we kick the can, the more expensive it becomes.

This bill, like the other bonding bills, will undergo some changes as it works its way through the political process. I ask you in your discussion, to think about the needs of the citizens and how this bill could quickly get some projects started and finished and save them some money. Paying back a 2% loan is a lot cheaper than paying back a 5% loan.

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