

Department of Commerce Testimony SB 2139
March 17, 2021
House Finance and Taxation Committee

Chairman and members of the House Finance and Taxation Committee:

My name is Maria Effertz Hanson and I am the Economic and Community Development Lead for the Department of Commerce. With several of my past positions, I had the privilege of supporting communities across North Dakota with writing and administering Renaissance Zones and with the Department of Commerce, was in attendance with Mr. Grindberg when he brought together a group of people in Fargo to discuss the beginnings of this bill. I am here today to testify in support of SB 2139 as amended.

Commerce has provided administration and management for the Renaissance Zone program since its inception. The Renaissance Zone program has proven to be a tremendous opportunity for the state to partner with communities and the private sector to increase property values, preserve historic buildings, create and house new businesses that add jobs and provide additional housing opportunities in rural and urban settings across North Dakota - adding the Neighborhood Zone can have a similar positive impact.

I have heard support and enthusiasm for the amended bill from several communities. I would like to highlight some of the changes that would improve this legislation for a variety of local and regional entities.

- Seventy five percent of the houses in the Neighborhood Zone block, which are taking advantage of the incentives, must be built prior to 1959. This eliminates gentrification of areas along with pure remodel of newer developments.
- The creation of a Neighborhood Fund will allow communities to attract investment into older homes and neighborhoods. The Neighborhood Zone will be an option for local investors to take advantage of tax credits while improving housing stock throughout the community.
- The continued ability of local entities to set the limits on tax incentives. In the past, while I was helping communities write their plans, this was a highlight of the benefits. With both the Neighborhood and Renaissance Zone programs, communities can determine the both level of investment by the private sector and the commensurate amount of tax incentives they achieve for the investment made for both commercial and housing. This flexibility creates plans that works for each community depending on their needs.

This bill, if passed, will provide options for older homes to become more attractive, thus saving many neighborhoods in both large and small communities and taking advantage of existing infrastructure. I would like to humbly ask for a "Do Pass" vote on SB2139. Thank you and I will stand for any questions and bring to your attention that Rikki Roehrich, Renaissance Program Administrator is in the audience and can provide details on the current program.