

Testimony of Dani Hanson
On behalf of the North Dakota Water Resource Districts Association
In opposition of House Concurrent Resolution 3042
March 8, 2021

- Good morning, Chariman Klemin and members of the House Judiciary Committee.
- I'm Dani Hanson, here on behalf of the North Dakota Water Resource District Association.
- The North Dakota Water Resource District Association has concerns with the impact this proposal would have on the ability of water resource districts and counties to pay current bonds obligations and maintain existing infrastructure.
- Today North Dakota's water resource districts are not taxing authorities under century code and they do not have the authority to levy taxes.
- Water resource district budgets are submitted to the county commission for consideration and county commissions can levy taxes up to four mills for individual water resource districts or two mills for joint water resource district boards.
- Water resource districts, however, are currently responsible for hundreds of existing assessment projects and ongoing maintenance of dams and other critical infrastructure. They are allowed to levy assessments to pay for construction and maintenance of these projects. Assessments are made on landowners who receive the benefits of these projects.
- Oftentimes these projects are paid for via bonds. Should this proposal be enacted by the voters, these bonds would necessarily default and districts wouldn't be able to pay for continued maintenance on existing infrastructure.
- I would note that the default on bonds would be especially impactful as bonds are issued under the full faith and credit of the counties that the water resource districts serve under. A default by the water resource districts on their bond would impact the credit rating of the county as well.
- Perhaps more alarming though is the potential safety issues should maintenance on dams or other critical infrastructure lapse causing dam fails and flooding.

- Additionally, water resource districts already operate under strict parameters set by both the state legislature via century code and the elected county commission who appoints them. Water resource districts can't assess beyond what is laid out in statute and, in addition to the budgetary oversight I mentioned previously, water resource district managers can be removed by the elected county commission.
- Finally, I would note that there has been significant conversations in the state legislature this year, particularly on the Senate side, about the assessment practices of water resource districts. SB 2208, which will be heard by the House Agriculture committee this week, establishes a study to look at various aspects of water management in North Dakota, including assessment practices.
- Water resource districts would encourage you to use the study authorized in SB 2208 to look at and address in the future any changes that might need to be made to the way water resource districts make assessments, rather than amending the state constitution.
- Thank you for your time this morning. I'm happy to stand for any questions.