

House Political Subdivisions Committee Hearing
HB 1367
Testimony by City of Fargo in Opposition
2/11/2021

Chairman Docter and members of the House Political Subdivisions Committee my name is Kent Costin, Director of Finance of Fargo. Thank you for the opportunity to provide our testimony.

The City Commission expressed its opposition to HB 1367 on 2/8/2021 during our weekly legislative review meeting. There are three impacts that we are concerned about in this bill.

Early Budget Adoption

During the last legislative session recommendations were made and approved that greatly enhanced taxpayer disclosures by moving the budget cycle up about one month and having counties prepare a consolidation taxpayer notice that includes budget hearing dates and related tax calculations for the upcoming year. We feel that this provide greater clarity and overall understanding for the taxpayers across the State. We received positive feedback as a direct result from changes in the consolidated taxpayer notice. Moving our budget cycle up another month as recommended in this bill will caused increased budget risk as revenue projections will have to be made earlier in our fiscal year. We are especially concerned this year because of the dramatic impact COVID-19 has created for our National, State and local economies. It is very difficult and less precise attempting to project our revenues as much as seven to eight month prior to our next year's budget.

Potential for Additional Election Costs and Publication Costs

The cost of a municipal election in Fargo is presently about \$35,000 to \$40,000. We believe this is an unnecessary expense because taxpayers have already elected our local officials to review and scrutinize municipal budgets. Our budget hearings for the adoption of our budgets and tax levies stand empty because our taxpayers are satisfied with the level of services provided in our community.

Legislators approved elimination of the budget publishing requirements in the last session when a consolidated taxation notice was enhanced. Why are we going backwards to former taxpayer notification methods when improved processes are now law?

Budget Referral Threshold Is Excessively Low

We are concerned that the 10% budget referral threshold is excessively low, especially for smaller cities. A small group of citizens could essentially freeze budgets and increase election costs each year by exercising their rights within this bill.

The Fargo City Commission opposes HB 1367 for the reasons discussed. **We support a DO NOT PASS recommendation for this bill.** Thank you for the opportunity to testify.