



Testimony on HB 1367
Presented to the House Political Subdivisions Committee
Prepared by Bernie Dardis, Commission President
Thursday, Feb. 11, 2021

1 Chairman Dockter and members of the House Political Subdivisions Committee: I
2 write you today to urge you to vote NO on HB 1367. This bill will damage the municipal
3 budgeting process and cost taxpayers money.

4 The process of budgeting concludes in the fall to ensure expense and revenue
5 estimates come from the most recent operating trends and costs. While we have been
6 able to have the preliminary budget ready by August 10, moving it up another 30 days
7 has the potential of more errors in the budget. The accuracy of the budget increases
8 the closer it is set to the effective date of the budget. If this were to move up,
9 municipalities would need to overestimate expenses and revenue reductions to create
10 a budget that covers the unknowns for the next year.

11 This legislation also creates another layer of requirement to an already
12 cumbersome process without providing a timeline for the additional requirements.
13 Section 2 allows for a referral of the preliminary budget, but does not contain a timeline
14 for the receipt of a petition of referral and the timing of the special election regarding
15 the referral. In larger communities, organizing a special election takes months and is
16 costly. Currently, the budget is due to the county by October 10, which means a vote
17 on the budget could occur after the municipality finalizes the budget. Furthermore, this
18 bill lacks funding for these elections, adding expense to local municipalities.

19 Residents do have the opportunity to participate in the current budgeting
20 process. Cities send out required notices and hold hearings to inform the public and
21 keep them involved in the budgeting process. In fact, we supported testimony in 2017
22 that improved this process by combining property tax notifications for residents and
23 providing public hearing information. This provides residents who want to participate
24 the opportunity for input. Those that are unhappy are sure to let their local elected

25 officials know. Residents also have the opportunity every other year to vote out elected
26 officials if they disagree with the budgets.

27 Local governing bodies take tremendous pride in building and managing
28 effective budgets that are fiscally responsible for the residents they are serving. Often
29 times, these budgets include tough decisions regarding competing interests and needs
30 of residents. No Commissioner or Council Member takes this lightly. This bill, with a low
31 threshold to initiate a referral, would allow a small group of residents override decisions
32 made to benefit the whole community.

33 Additional legislation that decreases the ability to manage the budgeting
34 process efficiently is an unnecessary measure that will have significant impact on the
35 quality of life in North Dakota communities.

36 For these reasons, I urge you to oppose HB 1367.