

Bismarck Special Assessment Task Force – Decision Overview

The Task Force agreed to provide an update to the Board of City Commissioners and to recommend the following to the Board of City Commissioners:

- No special assessments for new construction or development
- Formation of a monthly street maintenance fee to eliminate special assessments for street maintenance projects on local and arterial streets.
- An additional sales tax, not to exceed $\frac{3}{4}$ percent, for the construction of expanded arterial roadways identified by the Infrastructure Task Force
- Revamp storm water program to no longer hold projects in abeyance
- Cap the Sales Tax 25-mill property tax buy-down at 2018 levels
- 5-year “check-in” to determine the effectiveness of the proposed changes - 10-year “sunset” to reconsider the impacts of the proposed changes

It was noted that a landowner petitioning for improvements on their property as part of the upkeep of the driveway or sidewalk could be considered differently than street maintenance. The general consensus of the Task Force members was to eliminate special assessments for these situations and work with local banks to develop an alternative lending source through private banks instead of the City of Bismarck or provide the option for property owners to pay for the work in-full. It was noted that banks have other programs to help with home improvement loans and there may be an opportunity to consider other options for homeowners in-lieu of the City of Bismarck functioning as a bank.

Homebuilders Association Support

Shannon Reichenberg shared the results of the Bismarck-Mandan Home Builders Association’s (BMHBA) online survey. The survey generated 99 responses. The survey results are appended to these minutes as Exhibit 2. Mr. Reichenberg indicated the overall responses were supportive of eliminating special assessments and the BMHBA’s executive committee was supportive of the concepts proposed by the Task Force. Mr. Reichenberg stated that the BMHBA would be actively engaged in education and support to eliminate special assessments for new construction, provided the City Commission is also supportive of eliminating special assessments for new construction and development. Eliminating special assessments for new construction may require changes to existing City policies (i.e. would need to install street lighting upon original build-out of subdivision and not wait until 50% is developed as per current City policy).

SB 2326 Problems Discovered

Discussion was held regarding Senate Bill 2326, the law that limits a city’s ability to collect taxes to property tax and sales tax only. Mr. Hunke shared with the group that he had met with Senator Laffen from Grand Forks and was told that the Bill was in response to concerns with communities struggling to remain competitive with fuel prices and the potential to create a “gas war” in communities where a similar tax does not exist. Mr. Hunke stated that Senator Laffen encouraged cities to develop language to support the tools needed to fund and sustain street maintenance and infrastructure. Mr. Ritter added that in his conversations with Senator Cook from Mandan, he too echoed Senator Laffen’s comments and also encouraged communities to develop a coalition of communities and approach the Greater North Dakota Chamber to help build support and consensus. Mr. Hunke noted that City staff will work with the City Attorney to help develop supportive language necessary to enable changes with State law. Mr. Hunke also stated that City staff will work with the North Dakota League of Cities to ensure a collective voice is carried forward. The general consensus of those present was to support the creation of a statewide coalition, to engage the North Dakota League of Cities for support and to identify State leaders willing to carry the draft bill language forward during the 2019 session.