



**Senate Political Subdivisions Committee - HB 1419**

**Senator Randy Burckhard, Chair**

**March 26, 2021**

Chairman Burckhard, Members of the Committee:

My name is Brian Ritter and I am President of the Bismarck Mandan Chamber EDC. I am here today on behalf of our organization's approximately 1,200 members in support of HB 1419.

From 2016 – 2018, I along with several members of the Chamber EDC were active participants in the City of Bismarck's Infrastructure Task Force, Special Assessment Task Force and Joint Task Force. These groups were formed by the City in an attempt to identify alternative means of funding the City's roadway infrastructure and review the City's process for levying special assessments.

What resulted was a four-point plan that met both objectives.

1. Ask Bismarck voters to cap the existing voter-approved 25-mill property tax buydown, which they did in 2018.
2. Ask Bismarck voters to levy an additional half-cent sales tax dedicated solely to arterial roadway construction, to be sunset after 10 years and limited to a previously developed list of roadway projects. Again, Bismarck voters did so in 2018.
3. Change the development model of residential & commercial subdivisions from what it is currently where the developer pays for the underground utilities, places a deposit on the above ground utilities and then special assesses the remaining costs to the lot, to one in

which the developer pays all front-end costs and builds the cost into the lot. This can be accomplished by a change in ordinance, but has not been addressed yet.

4. Ask Bismarck voters to approve what has been termed a 'street utility fee.' This fee would appear would appear as a charge on all residential & commercial utility bills from which the revenue would be placed into a general street maintenance budget and then used by the City on projects throughout Bismarck. The fee could then replace special assessments for street maintenance projects.

Regarding this last recommendation, asking voters to approve a street utility fee, we are currently prevented from doing so by State Law. During the 2017 Legislative Session, SB 2326 was passed and prohibits political subdivisions from seeking voter approval of funding mechanisms not present in their Home Rule Charter prior to August 1, 2017.

As such, the Bismarck-Mandan Chamber EDC has made this issue the number one priority on our 2021 Legislative Agenda. More specifically, we are seeking legislation that would only allow political subdivisions the authority to ask voters whether or not to approve a street utility fee. Which is exactly what HB 1419 does.

Infrastructure funding, special assessments and the associated issues are incredibly complicated. The aforementioned four recommendations are simply our community's ideas as to how we might address those issues. I would add however that the reason the business community has been so integrally involved in this process going back almost five years now is because of the uncertainty that special assessments can present business owners.

Businesses rely on certainty, to the extent they can, to plan investments now and into the future. As so many have said to me, "Whether its good news or bad news, just give it to me so I can adapt and move on." A street utility fee can provide that certainty for businesses while providing the City with a consistent stream of revenue by which to improve the infrastructure serving that business

Thank you for the opportunity to testify today. I would respectfully ask for a DO PASS recommendation from the Committee and if there are any questions, I would be happy to try and address them.