



**House Finance & Taxation Committee – HB 1266**

**Representative Craig Headland, Chair**

**January 16, 2023**

Chairman Headland, Members of the Committee:

My name is Brian Ritter and I'm the President & CEO of the Bismarck Mandan Chamber EDC. Please accept the following testimony on behalf of our organization's more than 1,200 business members in support of HB 1266.

As members of this Committee know, the purpose of the State's Renaissance Zone (RZ) Program is to revitalize communities and encourage development through the use of state and local tax incentives. Property owners utilize those incentives to reinvest in their property and ultimately, increase that property's value along with the revenue being generated for the community. The RZ Program is also unique in that it allows cities to develop handcrafted development plans that addresses their specific goals and objectives.

The Bismarck RZ was established in 2001 and has been tremendously successful and contributed to the creation of new jobs, new businesses and more. However, last summer Bismarck's RZ expired after the Burleigh County Commission elected not to provide a letter of support for the Zone's extension. Consequently, the Bismarck RZ expired and the way the current RZ-related statute is interpreted, once a Zone has expired it cannot be brought back or re-applied for. HB 1266 would simply allow for communities like Bismarck and others who have seen their RZ's expire, to reapply and bring their RZ back.

That is all.

The requirements for reinstatement would be the same as if a community were going through the renewal process which means that any applicant would still need to work with the North Dakota Department of Commerce. That also means that all of the political subdivisions who would have to support an RZ at inception (in this case, counties, cities and schools), would also have to provide a letter of support for the RZ's reapplication.

Finally, while Bismarck may be the largest community where this situation has arisen, it could happen to any community in North Dakota with an RZ. In that case, we believe it best to allow all communities to reapply with all of the same requirements as before. After all, the factors that ultimately led to that RZ's expiration may have changed or been addressed. If that's the case, then why wouldn't we at least allow the affected political subdivisions to at least consider reinstating the RZ at that time?

As such, I would respectfully ask that the Committee give a DO PASS recommendation to HB 1266.