

Testimony Presented on HB 1328 to the

House Finance and Taxation Committee

Representative Craig Headland, Chairman

Brenda Derrig, City Engineer for City of Fargo

January 17, 2023

Mr. Chairman and Members of the Committee,

The City of Fargo opposes House Bill 1328. HB 1328 isolates the special assessments of mobile home parks. Our city has a special assessment policy that has been vetted and massaged a number of times over the past four decades, including a full-scale public review by a special assessment committee task force that included broad citizen representation that undertook an 18 month hearing process completed less than four years ago. This policy is elaborate and comprehensive in its intended purpose of fairly and equitably applying the benefit of public improvements to all types of property throughout the City.

Our policy quite properly addresses the differences between single family residential, multi-family residential and commercial property as well as the differences between greenfield development and re-construction/rehabilitation of roads and utilities in the core of our city.

Mobile home parks are typically on large lot or on multiple large lots with right of way separating the lots. In Fargo they are zoned Commercial and assessed according to our infrastructure funding policy. HB 1328 produces an inequity to our Policy. The reduction in assessment would be given to the land owner not the renters and the City cannot guarantee that it is passed on to the renters. Also if the landowner sells and the land is redeveloped they would have an assessment that is inequitable to what other commercial properties would have.

Fargo's policy includes equitably-based caps for reconstruction and rehabilitation and arterial projects. For example, single-family residential development is capped at a lower rate than commercial development and the city uses alternative sources of funding to cover the funding gaps. This is a comprehensive policy that has been the subject of years-long public committee hearings and review and public debate. HB 1328 injects a "cap" on the spread of benefit that is not fair or equitable. HB 1328 is a feeble attempt to solve a problem without regard to consequences of future equity. The City of Fargo urges, therefore, a "do not pass" recommendation from this committee.