



SB 2330
Senate Finance and Tax Committee
Rep. Headland - Cahir
March 14, 2023

Chairman Headland and members of the House Finance and Taxation Committee, for the record, Matt Gardner, Executive Director, North Dakota League of Cities. I represent the 355 incorporated communities across the state. I stand today in opposition to SB 2330. Our main concern is section 1 of the bill that would eliminate the Legacy Loan Fund.

The Legacy Infrastructure Loan Fund will be an important tool for constructing infrastructure investments in North Dakota communities going into the next biennium. When HB 1425 was passed last session, the goal was to utilize the Legacy Fund to invest locally in North Dakota infrastructure projects. It was understood that the rate of return on these projects would be less that could be garnered on the market, but these investments met the Legacy goals of the Legacy Fund by having positive local impacts. The investment returns from Legacy Infrastructure Loan Fund are virtually guaranteed.

Proponents for this bill point out that this fund is not being used. This is true for the current biennium, but that dynamic is changing. Last year municipalities could go to the private market and find equally as cheap financing options. Now that is not the case. The 2% money available through the Legacy Infrastructure Loan Fund will be highly sought after for construction projects in the 23/25 biennium. Plus, the highly utilized Infrastructure Revolving Loan Fund will be fully obligated soon, leaving limited options for municipal projects at the low interest rate.

Now is not the time to limit low interest financing options within the state. Large infrastructure projects are continuing forward for flood protection and water supply. Plus, the Prairie Dog disbursements have been made, which will spur infrastructure projects across the state.

To ensure our communities have adequate access to low interest capital, keep the Legacy Infrastructure Loan Funds active and available. I respectfully ask for a Do-Not-Pass on SB 2330.

Thank you for time and consideration. I will try to answer any questions.