



SB 2330
Testimony of Dani Quissell
House Finance and Taxation Committee

Chairman Headland and members of the House Finance and Taxation Committee,

The North Dakota Water Users Association has concerns with SB 2330 as currently drafted. The Association's concern revolves around the removal of the ability to fund the Infrastructure Revolving Loan Fund and Water Infrastructure Revolving Loan Fund using the Legacy Fund. These programs allow the state to use the Legacy Fund to invest in vital public infrastructure projects that benefit North Dakotans today and into the future while maintaining a return on that investment via interest payments. The Infrastructure Revolving Loan Fund and Water Infrastructure Revolving Loan Fund provide low-interest, long-term loans to political subdivisions for a variety of projects including: water treatment plant expansions, water main replacement, water storage projects, etc.

Without access to these low-interest loans, political subdivisions will either have to seek financing elsewhere, at a higher cost, or not move forward with these investments in their communities. If they do complete a project with a higher level of interest, payment of that interest has to be made by increasing the water rates or taxes that individual North Dakotans and businesses pay.

While SB 2330 would not repeal these programs directly, it does remove access to much needed additional capital that makes these programs viable for political subdivisions across the state. Should this bill pass, some additional revenue source will need to be identified to keep these loan programs going.

While we understand there may be a concern with the low rate of return back into the Legacy Fund due to the low interest rate, we believe that this type of investment in vital infrastructure is exactly the type of investment the Legacy Fund should promote. Without any direct loss to the principal of the Fund, the state is able to ensure we have the infrastructure in place to create vibrant, healthy communities and rural areas across the state.

For these reasons, the ND Water Users Association asks that you oppose SB 2330 in its current form absent an identified alternative funding source for these critical infrastructure programs.