

# Unreasonable Renaissance Zone Bill Threatens The Reasonable Approach



**Dustin Gawrylow** Jan 30



Earlier this session, I testified Neutral (with caveats) on HB 1266, a bill that would simply allow a city that failed to have it's Renaissance Zone renewed have a second chance to get it back. (see video above)

The caveat to my Neutral testimony was that the committee needs to make sure this remains a clean bill, and that if any other Renaissance Zone provisions are added to this that do not protect taxpayer or weaken current protections that Neutrality would flip to Opposition.

#### HB 1266 - Testimony by Dustin Gawrylow (Lobbyist #266) North Dakota Watchdog Network

Mr. Chairman,

This bill is primarily here because of actions that have taken place here locally in Bismarck and Burleigh County.

As many of you know, I have been a long time critic of the Renaissance Zone program – and have been heavily involved with addressing this locally in Bismarck/Burleigh.

I have also personally been serving on the Bismarck Renaissance Zone Authority since 2019 when Mayor Steve Bakken appointed me to the committee.

My philosophy since being appointed has been "if it were up to me, the program would not exist, but as long as it does, I will do what I can to make it work for Bismarck."

As HB stands today, I am taking a Neutral Stance on this bill as it only allows cities to come back into the system.

However, I will issue a caveat: if this bill is amended to remove the ability for other political subdivisions to have a say in how their tax revenue streams (protections that were created by the passage and enactment of 2017's SB 2166) this neutral position will change.

One political subdivision should not have the power to influence the revenue of another political subdivision based on a discretionary tax exemption.

In conclusion, if the goal of this session is to simply give cities a second chance at the program, I do not see a problem on the surface. But if the overall goal is to do more than that, either in this bill or another bill, our position will change.

Thank you for your consideration.

### HB 1266 passed the House by a vote of 84-7.

Now comes Senate Bill 2391 which has a host of absurd changes to the Renaissance Zone program itself.

Among the most egregious features of this bill, it:

- allows cities to have two islands, not just one,
- allows properties to have a 2nd exemption 30 years after the completion of the 1st exemption,

- increases the tax-exemption time from 5-years to 7 & 1/2 years,
- increases the time between each renewal period from 5 years to 10 years.

Those who have followed my work know that I have opposed previous expansions of the program, and have worked at the local level to leverage the program to get the Bismarck City Commission to close down the TIF District.

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Since personally being appointed to the Bismarck Renaissance Authority by former mayor Steve Bakken in 2019, I have worked within the program to enhance the protections to for taxpayers by modifying the Return-On-Investment (ROI) calculations, and have proposed other changes.

The City of Bismarck will need to offer Burleigh County many one-off changes to the terms of the program in order to be granted a second chance on the program by the county commission. And that is how Local Control should work!

Senate Bill 2391 creates the danger to reopen those old fights, as well as make this program an even bigger controversy statewide.

The supporters of the Renaissance Zone program should think twice about the unreasonable provisions in SB 2391 and stick to the more reasonable approach in HB 1266.

To show your opposition to this concept of expanding the Renaissance Zone program, send a message to your legislators in opposition to SB 2391 by clicking here.

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