

House Finance and Taxation Committee

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Chair Headland and members of the House Finance and Taxation Committee. My name is Jerry Rostad and I serve as a commissioner for the Fargo Park District. I am submitting neutral testimony for HB 1572.

However, I would like to address the fifth amendment, subsection 11 of HB 1572. Specifically, the proposed language of this subsection limits park districts the ability to issue general obligation bonds in an amount no greater than one percent of the assessed valuation of the taxable property in the park district up to a maximum of one million dollars. I would like to encourage the committee to reconsider that debt limit.

Current state statute is based on the assessed value of the park district. For a growing city like Fargo, the Park District, based on the assessment formula, has the ability to issue general obligation bonds of up to \$84 million without a vote of the people.

Admittedly, the Fargo Park District used this statute to leverage \$78 million in GO bonds during the past several years for the construction of the Fargo Sports Center and the remodeling of the Island Park Pool. I will tell you that these projects were highly desired and supported by the citizens of our community. Back about 2015, the District conducted surveys and focus groups asking the citizens what they wanted from the Park District. The Sports Center and Island Park Pool were top priorities from that research.

I also want to also emphasize that these projects were so desired by the community, 40% of the total costs of the two projects were provided by gifts and in-kind donations. Clearly, people believed in the need for these projects and the taxpayer significantly benefited from this public/private partnership.

Additionally, the Park District held 60-day protest periods for these bonds and we received a total of four calls.

I would agree that the current statute could be restructured to reduce the maximum debt limit.

However comparatively, school districts can issue debt up to five percent of the assessed value of the taxable property in their district. The proposed subsection of this bill will provide a limit of one percent for park districts. I am respectfully requesting the committee consider an amendment limit from \$1 million to up to \$10 million and with that, I will stand for any questions.