

Industrial Commission
of North Dakota

Kelly Armstrong
GOVERNOR

Drew H. Wrigley
ATTORNEY GENERAL

Doug Goehring
AGRICULTURE COMMISSIONER



Public Finance Authority

Date: February 6, 2025

From: DeAnn Ament, Executive Director of the North Dakota Public Finance Authority

RE: House Bill 1537 – Water Service Agreement Protection

Chairman Longmuir and members of the Committee – I am DeAnn Ament, Executive Director of the North Dakota Public Finance Authority (PFA). I am attending today's hearing to provide testimony regarding House Bill 1537. In consultation with our special assistant attorney general and our assistant attorney general, we oppose the changes to 6-09.4-22.

Changing this Section 1. would narrow the focus and there isn't just "water service provided by or made available a political subdivision" and financed through our programs. The PFA finances sewer, stormwater and landfills under the State Revolving Fund programs as well as roads, sidewalks, public facilities, airport improvements, schools and more under the Capital Financing Program.

Removing the language in Section 2. would eliminate the State's security in the financing and negatively impact the security of bonds issued by the PFA to finance all or a portion of the projects. The inclusion of such language is a common requirement for financing instruments such as the loans made by PFA. The agency seeks assurance that the borrower can make bond payments if their service area changes. If the borrower fails to make payments, the agency would need to report a default to bondholders, which could jeopardize the state's bond rating.

This concludes my testimony. I would be happy to answer any questions you may have.