



State of North Dakota
OFFICE OF STATE TREASURER
Thomas Beadle, State Treasurer

January 08, 2025

Chairman Weber,

Before you is Senate Bill 2074, which amends NDCC 57-51.1-07.7 that spells out the reporting requirements for cities that receive monies from the Municipal Infrastructure Fund.

During the 2021-23 Biennium this grant program distributed \$115 million to 315 individual cities across the non-oil producing counties. Of the total distributed, 76% of the grant monies went to the 10 largest cities.

What wasn't anticipated during the process of drafting the original legislation was the time commitment needed to ensure cities were following through with the requirements spelled out in statute. Our office sent letters, emails, multiple phone calls and worked through the League of Cities, Association of Counties, and your fellow legislators to communicate the requirements and help us track down the stragglers. Even with these efforts, we still had 12 cities not file reports and will now be barred from the next distribution.

Many of the cities that would benefit by adjusting the threshold as it relates to population for requiring a report, the finance staff are either part time or volunteer. These smaller cities often have projects that loosely meet the limitations of the distribution, or have projects that they need to do, but those projects don't quite qualify under the statute. Most of these smaller cities, roughly 55% ultimately chose to carry forward dollars until they are able to save enough for a future project. By limiting the reporting requirements to just the larger communities we would take away some of the bureaucratic burden on those small cities while also putting them into the same category as townships who have more latitude with regards to how they can spend their Prairie Dog distributions.

Raising the threshold for who needs to file a report doesn't mean that the cities can use these funds irresponsibly. We still publish the amount of funds that these cities receive, and this doesn't change anything from their normal budgeting or audit process.

Thank you for your consideration and I'm happy to answer any questions the committee might have.

Thomas Beadle
State Treasurer