Testimony to the House Finance and Taxation Committee Representative Craig Headland, Chair

January 30, 2023

Chad Peterson, Cass County Commission Chair

Regarding: House Bill 1495

Chairman Headland and members of the House Finance and Taxation Committee, I am Chad Peterson, Chair of the Cass County Commission, and I am writing to request a **DO PASS** for House Bill 1495. I am grateful and share the desire to protect the ability for local pollical subdivision to vote on their portion of property tax authorized in 2017. As public servants, protecting tax dollars and ensuring their proper allocation is one of our core responsibilities.

First, I don't see this as a restructure of existing law as some may allude to, but a clarification of what already exists. Both my states attorney and I believe the prior law enacted in 2017 was meant to include the ability for us to vote on all property tax exemptions which should include the approval of tax Increment financing (TIF) districts. That said, this bill eliminates the debate and formalizes what I believe North Dakota legislative leadership intended from the onset; a law that allows each pollical subdivision the ability to vote on all property tax exemptions that may impact them.

Second, please don't take this request for the clarification as not supporting incentives like the Renaissance Zones, PILOTs, TIFs, etc. In fact, the exact opposite is the case. I and the Cass County commission historically have supported numerous exemption requests individually and when used as a combination. I simply want the ability to offer more than symbolic input and be better informed as an elected official as to what is transpiring in my county.

Third, to give a sense of scale I have attached a sheet (page 2) that shows what just a few of these TIFs impact is to county and school district income. As noted above, please note I have vocally supported some of these projects as their benefit outweighs 'green field' development (i.e. converting empty farm fields into new developments) or long term reinvestment that is both prudent and beneficial to tax payers long term. However, there are also projects on this list that we had no say on at all.

Finally, the one amendment I would suggest would be to make this retroactive to January first, 2023 so other local political subdivisions are not put into a place where they are pushing districts thru at the last minute before the law is enacted.

Again, I urge a **DO PASS** for House Bill 1495 because individual control by each political subdivision allows leaders to make decisions in the best interest of the constituents directly impacted.

I am always available for any questions.

2022 TIF Projects	Total Value		TIF Value*	Base Value**	School District	
Bdwy St & Bristol	\$7,755,8	300	\$7,347,700	\$408,100		1
FM Development I	\$2,633,0	000	\$2,424,920	\$208,080		1
Feder	\$2,385,6	500	\$2,068,620	\$316,980		1
FM Development II	\$4,254,0	000	\$3,919,860	\$334,140		1
710 Lofts	\$2,019,4	100	\$1,856,000	\$163,400		1
Mercantile	\$6,112,0	000	\$1,037,300	\$236,000		1
Roberts St. Ramp	\$20,575,0	000	\$5,876,000	\$4,367,089		1
Block 9	\$2,900,5	500	\$16,207,911	\$1,011,000		1
Barrett St. Apartments	\$2,613,6	500	\$1,889,500	\$1,576,300		1
Roers/Newman A	\$10,787,0	000	\$10,338,000	\$449,000		1
Roers/Newman B		\$0	(\$533,000)	\$533,000		1
Riverfront	\$67,764,5	500	\$4,564,500	\$63,200,000		1
BrewHalla	\$2,084,0	000	\$1,775,000	\$309,000		1
GRAND TOTAL	\$131,884,4	100	\$58,772,311	\$73,112,089		

2021 TIF Projects	Total Value	TiF Value*	Base Value**	School District	
Great Northern	\$1,424,200	\$1,139,500	\$284,700		1
Bdwy St & Bristol	\$7,217,200	\$6,809,100	\$408,100		1
FM Development I	\$2,633,000	\$2,424,920	\$208,080		1
Feder	\$2,385,600	\$2,068,620	\$316,980		1
FM Development II	\$4,254,000	\$3,919,860	\$334,140		1
710 Lofts	\$1,835,800	\$1,672,400	\$163,400		1
Roberts St. Ramp	\$1,312,000	\$1,076,000	\$236,000		1
Block 9	\$30,897,100	\$26,530,011	\$4,367,089		1
Junction 9 Apartments	\$2,636,800	\$1,625,800	\$1,011,000		1
Mercantile	\$12,371,900	\$10,795,600	\$1,576,300		1
Roers/Newman A	\$2,563,000	\$2,114,000	\$449,000		1
Roers/Newman B	\$4,932,000	\$4,399,000	\$533,000		1
RiverFront	\$60,807,100	(\$2,392,900)	\$63,200,000		1
GRAND TOTAL	\$135,269,700	\$62,181,911	\$73,087,789		

2020 TIF Projects	Total Value		TIF Value*	Base Value**	School District	
Dakota Bank		\$22,806,600	\$19,960,400	\$2,846,200		1
Great Northern		\$1,331,000	\$1,046,300	\$284,700		1
Bdwy St & Bristol		\$6,923,000	\$6,514,900	\$408,100		1
FM Development I		\$2,633,000	\$2,424,920	\$208,080		1
Feder		\$2,385,600	\$2,068,620	\$316,980		1
FM Development II		\$4,254,000	\$3,919,860	\$334,140		1
Shotwell Commons		\$6,664,000	\$6,201,556	\$462,444		1
710 Lofts		\$1,668,900	\$1,505,500	\$163,400		1
Roberts St. Ramp		\$710,000	\$474,000	\$236,000		1
Block 9		\$46,192,100	\$41,825,011	\$4,367,089		1
Junction 9 Apartments		\$2,397,100	\$1,386,100	\$1,011,000		1
GRAND TOTAL		\$97,965,300	\$87,327,167	\$10,638,133		

2019 TIF Projects	Total Value	TIF Value*	Base Value**	School District
Dakota Bank	\$22,806,600	\$19,960,400	\$2,846,200	1
Great Northern	\$1,384,000	\$1,085,300	\$298,700	1
Bdwy St & Bristol	\$7,097,500	\$6,689,400	\$408,100	1
Roers 19 Ave N	\$15,375,400	\$13,967,000	\$1,408,400	1
FM Development I	\$2,633,000	\$2,424,920	\$208,080	1
Feder	\$2,385,600	\$2,068,620	\$316,980	1
FM Development II	\$4,254,000	\$3,919,860	\$334,140	1
Shotwell Commons	\$6,664,000	\$6,201,556	\$462,444	1
710 Lofts	\$1,703,000	\$1,539,600	\$163,400	1
Roberts St. Ramp	\$3,619,000	\$3,383,000	\$236,000	1
Block 9	\$4,575,100	\$215,000	\$4,360,100	1
Junction 9 Apartments	\$2,446,000	\$1,435,000	\$1,011,000	1
GRAND TOTAL	\$74,943,200	\$62,889,656	\$12,053,544	

2018 TIF Projects	Total Value		TIF Value*	Base Value**	School District	
Dakota Bank		\$22,484,200	\$19,638,000	\$2,846,200		1
Great Northern		\$1,384,000	\$1,085,300	\$298,700		1
Bdwy St & Bristol		\$7,097,500	\$6,689,400	\$408,100		1
Roers 19 Ave N		\$15,375,400	\$13,967,000	\$1,408,400		1
FM Development I		\$2,633,000	\$2,424,920	\$208,080		1
Feder		\$2,385,600	\$2,068,620	\$316,980		1
FM Development II		\$4,254,000	\$3,919,860	\$334,140		1
Shotwell Commons		\$6,664,000	\$6,201,556	\$462,444		1
710 Lofts		\$1,703,000	\$1,539,600	\$163,400		1
Roberts St. Ramp		\$719,000	\$483,000	\$236,000		1
Barrett St. Apartments		\$2,446,000	\$1,435,000	\$1,011,000		1
GRAND TOTAL		\$67,145,700	\$59,452,256	\$7,693,444		_

Taxing Authority	2022 Mill Levy	2022 Total Taxes	TIF Value Taxes		Base	Value Taxes
County	48.85	\$322,127.65	\$	143,551.37	\$	178,576.28
State Medical	1.00	\$6,594.22	\$	2,938.62	\$	3,655.60
County Soil Conservation	0.49	\$3,231.17	\$	1,439.92	\$	1,791.25
City of Fargo	55.00	\$362,682.10	\$	161,623.86	\$	201,058.24
Fargo Park District	38.09	\$251,173.84	\$	111,931.87	\$	139,241.97
Fargo Public School District	154.38	\$1,018,015.68	\$	453,663.47	\$	564,352.21
SE Water Resource District	3.69	\$24,332.67	\$	10,843.49	\$	13,489.18
Total Mills	301.50	\$1,988,157.33	\$	885,992.59	\$	1,102,164.74

Taxing Authority	2021 Mill Levy	2021 Total Taxes	TIF	Value Taxes	Base Value Taxes		
County	49.60	\$335,468.86	\$	154,211.14	\$	181,257.72	
State Medical	1.00	\$6,763.49	\$	3,109.10	\$	3,654.39	
County Soil Conservation	0.49	\$3,314.11	\$	1,523.46	\$	1,790.65	
City of Fargo	53.00	\$358,464.71	\$	164,782.06	\$	193,682.64	
Fargo Park District	33.85	\$228,943.97	\$	105,242.88	\$	123,701.08	
Fargo Public School District	154.38	\$1,044,146.81	\$	479,982.17	\$	564,164.64	
SE Water Resource District	3.69	\$24,957.26	\$	11,472.56	\$	13,484.70	
Total Mills	296.01	\$2,002,059.19	\$	920,323.37	\$	1,081,735.82	

Taxing Authority	nority 2020 Mill Levy		TIF	Value Taxes	Base Value Taxes	
County	49.77	\$243,786.65	\$	217,313.66	\$	26,472.99
State Medical	1.00	\$4,898.27	\$	4,366.36	\$	531.91
County Soil Conservation	0.44	\$2,155.24	\$	1,921.20	\$	234.04
City of Fargo	53.00	\$259,608.05	\$	231,416.99	\$	28,191.05
Fargo Park District	29.60	\$144,988.64	\$	129,244.21	\$	15,744.44
Fargo Public School District	154.38	\$756,194.15	\$	674,078.40	\$	82,115.75
SE Water Resource District	3.93	\$19,250.18	\$	17,159.79	\$	2,090.39
Total Mills	292.12	\$1,430,881.17	\$	1,275,500.60	\$	155,380.57

Taxing Authority	thority 2019 Mill Levy		TIF	Value Taxes	Base Value Taxes	
County	50.90	\$190,730.44	\$	160,054.17	\$	30,676.27
State Medical	1.00	\$3,747.16	\$	3,144.48	\$	602.68
County Soil Conservation	0.38	\$1,423.92	\$	1,194.90	\$	229.02
City of Fargo	53.00	\$198,599.48	\$	166,657.59	\$	31,941.89
Fargo Park District	28.67	\$107,431.08	\$	90,152.32	\$	17,278.76
Fargo Public School District	154.38	\$578,486.56	\$	485,445.25	\$	93,041.31
SE Water Resource District	4.11	\$15,400.83	\$	12,923.82	\$	2,477.00
Total Mills	292.44	\$1,095,819.47	\$	919,572.55	\$	176,246,92

Taxing Authority	2018 Mill Levy	2018 Total Taxes	TIF	Value Taxes	Base Value Taxes	
County	49.90	\$167,528.52	\$	148,333.38	\$	19,195.14
State Medical	1.00	\$3,357.29	\$	2,972.61	\$	384.67
County Soil Conservation	0.48	\$1,611.50	\$	1,426.85	\$	184.64
City of Fargo	51.00	\$171,221.54	\$	151,603.25	\$	19,618.28
Fargo Park District	27.83	\$93,433.24	\$	82,727.81	\$	10,705.43
Fargo Public School District	154.13	\$517,458.34	\$	458,168.81	\$	59,289.53
SE Water Resource District	4.26	\$14,302.03	\$	12,663.33	\$	1,638.70
Total Mills	288.60	\$968,912.45	\$	857,896.05	\$	111.016.40