

Testimony Presented on SB 2275 to the

Senate Finance and Taxation Committee

Senator Jordan L. Kannianen, Chairman

Dr. Timothy J. Mahoney, M.D., Mayor of the City of Fargo
Michael J. Redlinger, City Administrator for the City of Fargo
Brenda E. Derrig, City Engineer for the City of Fargo

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Mr. Chairman and Members of the Committee,

The City of Fargo recognizes and greatly appreciates the North Dakota Legislature's vision in approving House Bill 1066, commonly referred to as "Operation Prairie Dog", during the 66th Legislative Assembly. HB 1066 made significant changes to the gross production tax distribution formula and created a much needed source of new infrastructure funding for cities, counties, and townships in non-oil producing counties.

On December 12, 2022, the City of Fargo Commission voted unanimously to prioritize the use of Operation Prairie Dog funds received from the 2021-2023 biennium towards a number of additional projects to be constructed in 2023 and 2024. These additional projects fall into one of three project categories: pavement preservation, replacement of infrastructure to support redevelopment, and replacement of streets and utilities in core neighborhoods. The additional funds provided by Operation Prairie Dog are being used to improve and preserve arterial roadway pavements, to replace original infrastructure in the downtown in order to provide reliable water, sewer, and roadway access to new buildings, and to replace failed infrastructure in core neighborhoods in an effort to preserve and improve those neighborhoods.

Although the City of Fargo has been diligent in the preservation, replacement, and improvement of existing infrastructure, there is an ever growing need to invest additional funds in our critical infrastructure. Operation Prairie Dog funds allow the City of Fargo to make additional investments in our infrastructure without the need of raising special assessments. The changes proposed in SB 2275 would ensure the likelihood of future distributions to cities, counties, and townships, provide greater certainty that Operation Prairie Dog funds can be relied upon for additional investments to critical infrastructure in future years, and, just as importantly, receive the money earlier in the biennium so that projects can begin at an earlier date.

We seek your support of SB 2275 as it would greatly increase the confidence in receiving Operation Prairie Dog funds and promote additional long term planning and investment in the preservation of existing infrastructure and the replacement of failed infrastructure.